

**POLICIES AND PROCEDURES FOR MEADOW
MOUNTAIN WATER SUPPLY COMPANY**

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SECTION 1. GENERAL

1.1 Effective Date: These Policies and Procedures for Meadow Mountain Water Supply Company (“P&P”) shall be effective as of August 1, 2022, and shall replace and supersede any previous regulations and/or policies and procedures of Meadow Mountain Water Supply Company (“Company”). If there is a conflict between the P&P and the Bylaws, the Bylaws will control.

1.2 Definitions: In addition to the terms defined elsewhere in the P&P, the following terms shall have the meanings set forth below:

1. **“Board”** and **“Board of Directors”** shall mean the governing body of the Company as set forth in the Bylaws.
2. **“Bylaws”** shall mean the Restated and Amended Bylaws of Meadow Mountain Water Supply Co. Dated August 21, 2021.
3. **“Contractor”** shall mean any Person authorized by the Company to perform work on behalf of the Company or to furnish materials to the Company.
4. **“Customer”** shall mean any Person or governmental authority or agency authorized to use water or connect to the Water Main as authorized in writing by the Board.
5. **“Domestic Use”** shall mean usage of water by occupants (including the Member and guests or renters) living in the Member’s house for necessary daily living activities, but specifically excludes water used for business purposes which is not

related to necessary daily living activities within the home and benefits users who are not occupants of the home.

6. “**Member**” shall have the meaning set forth in Article II of the Bylaws.
7. “**Person**” shall mean any individual or entity, which entity is duly authorized to conduct business in the state of Colorado.
8. “**System Operator In Responsible Charge (System ORC)**” shall mean the duly authorized employee of the Company responsible for the operations of the water system for the Company.
9. “**Service Line**” shall mean the pipe, line or conduit from the Water Main to a Member’s house or other structure.
10. “**Stub-in**” shall mean the connection of the Service Line to the Water Main.
11. “**Tap Connection**” shall mean the connection of the Service Line to the structure which it is to serve.
12. “**User**” shall mean any Member or Person that is provided water by the Company.
13. “**Water Main**” shall mean any water pipe, line or portion thereof owned by the Company.
14. “**Water Tap**” shall mean connecting a Service Line to a Water Main.

SECTION 2. OWNERSHIP

- 2.1 **Company:** The Company shall provide and own the water treatment facilities and distribution system for the distribution of water for domestic use to its Members and shall endeavor to plan for, capitalize and build adequate capital improvements as demand occurs; but the Company shall not be liable or responsible for failure to provide additional service when capacity is exceeded by demand or for inadequate pressure or interruption of service brought about by circumstances beyond its control. The Company shall maintain, repair and/or replace as deemed necessary, all mains, hydrants, valves and facilities owned by the Company.
- 2.2 **Member:** Members shall own and be responsible for installing and maintaining water meters and the entire length of the Member’s water Service Line from the Water Main to the structure receiving water.

Members shall install and maintain a water meter as specified by the Company that will measure all water taken from the system and that is easily readable by Company personnel. Meters will be located in a warm and serviceable location. A meter readout shall be located sufficiently above grade, close to the road on a post or a tree for easy reading by Company personnel in all seasons. It is the responsibility of the customer to place their meter or meter readout in a location that it can be read wirelessly in order to accommodate a possible conversion to auto-read meters at some future date. Accordingly, future underground installations will not be approved by the Company.

The Company assumes no responsibility for the cost of water as shown by defective meters, or for any cost or expense relating to or caused by malfunctioning water meters or defective Service Lines.

2.3 Liability: It is expressly stipulated that no claim for damage shall be made against the Company by reason of the following: breaking of any Service Line, supply line within the home, pipe, cock or meter resulting from:

- (i) failure of the water supply;
- (ii) shutting off or turning on water in the Water Mains;
- (iii) the making of connections or extensions;
- (iv) damage caused by water running or escaping from open or defective faucets;
- (v) burst service pipes or other facilities not owned by the Company;
- (vi) damage to water heaters, boilers, or other appliances resulting from shutting water off, or for turning it on, or
- (vii) from inadequate or sporadic pressures; or
- (viii) for doing anything to the water system of the Company deemed necessary by the Board of Directors or its agents.

SECTION 3. OPERATIONS

3.1 Powers and Authority of the System ORC: The System ORC and other duly authorized employees of the Company, bearing government issued picture identification, shall be permitted to enter upon the Member's property for the purpose of inspection, observation, measurement, sampling and testing, in accordance with the provisions of these P&P, and

shall have authority to shut off service if deemed necessary or appropriate in order to perform those functions. The System ORC shall be authorized to expend without further Board approval:

- (i) routine operational expenses not in excess of the annual budget for that expense category;
- (ii) Capital expenditures not in excess of \$500; and
- (iii) emergency situations not in excess of \$1,500.

In each case, the System Operator will fully account for such expenditures and in the case of items (ii) and (iii) will attempt to notify the Board prior to making such expenditures.

3.2 Water System Access: No Member or other unauthorized person shall uncover, make any connection with, or open into, use, alter or disturb the Water Main or appurtenances without first obtaining a written authorization from the Company and Members and other unauthorized persons are prohibited from altering, disturbing, adjusting, connecting or otherwise making any changes to or accessing bleeders, curb stops, hydrants, valves or any equipment without obtaining prior written authorization from the Company.

3.3 Responsibilities of the Member: Leaks or breaks in the Service Line or defective water meters shall be repaired or replaced, as appropriate, by the Member, as quickly as possible from the time of discovery or receipt of written notification to the Member of such condition by the Company.

Members shall notify the Company immediately if their water meters are operating defectively.

If satisfactory progress toward repairing said leak has not been accomplished, then the Company shall have the option, in its sole discretion, to shut off service until the leaks or breaks have been repaired. It shall be the duty of all those connected with the water system to keep advised of varying pressures and conditions of service so as to properly protect their persons and property from injury by water furnished through the Company's facilities. They shall also take note that there shall be a waste way in the shut-off beyond the curb stop, not at the Water Main, and that any water standing in the pipes when water is turned off at the meter shut-off, if any, will remain there unless drained out by the User by means of this waste system.

Employees of the Company are expressly forbidden to do any plumbing work whatsoever on a Member's property. It is expressly stipulated that the Company will assume that every

property is equipped with a stop and waste system, and failure of any property owner to so equip their property will, under no circumstances, alter the responsibility or liability of the Company. All persons having boilers and/or other appliances on their premises dependent on pressures or water in pipes, or on a continual supply of water, shall provide, at their own expense, suitable safety appliances to protect themselves and their property against a stoppage of water supply or loss of pressure.

- 3.4 Cross Connection Control:** Direct connection of the water supply to any potentially non-potable water is not allowed unless there is an approved method of controlling the backflow of non-potable water or contamination into the system lines. This backflow usually happens when there is a loss of water pressure in the distribution water or a higher pressure in the private line than in the distribution line. Potential sources of non-potable water that may be cross connected to the water supply include (but is not limited to): private cisterns, water features, animal water troughs, fire suppression sprinkler tanks, boilers, outdoor water sprinklers, utility sinks (if there is a sprayer or hose that can dangle into the sink water), or water hoses that are connected to hose bibs without backflow prevention. Acceptable backflow prevention methods include air gaps that meet the plumbing code and backflow prevention devices that meet plumbing code (note that some backflow prevention devices will require an annual inspection by a certified backflow prevention technician at the cost of the Member).
- As required by the State of Colorado, all identified potential cross connections identified by the system must be monitored by the water system and reported on each year. Members shall allow inspection of all potential cross connections by Company personnel. If an uncontrolled cross connection is identified, Members must remedy those cross connections as quickly as possible. The Company has the authority to turn off water to any Member that has a potential uncontrolled cross connection issue.

3.5 Emergency Operations:

3.5.1 The Company hereby reserves the right to cut off the water supply at any time for purposes of doing repair and/or maintenance on the water system. The Company will endeavor to provide at least 48 hours notice prior to shutting off the water supply for repair/maintenance purposes, except in case of emergency, whereby the Company will have the right to turn off the water without prior notice if such action is deemed necessary by the Company, in its sole discretion, in order to protect the water system or users of the system.

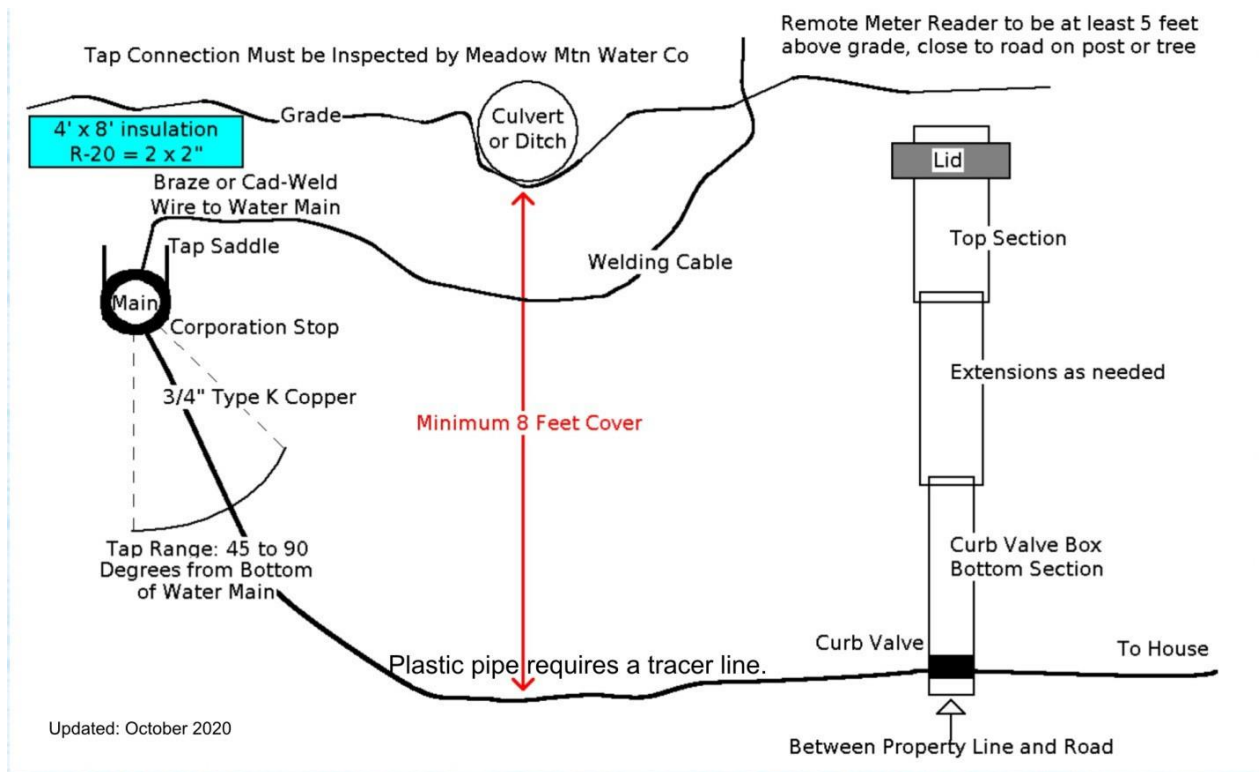
3.5.2 In addition to the emergency procedures set forth in 3.5.1 above, in the event the total water supply shall be insufficient meet all the needs of the Members, including but not limited to a shortage caused by drought conditions (as may be declared by the State or County of Boulder), the Company may prorate the water available among the various Members on such basis as is deemed equitable by the Board, in its sole discretion. Such allocation may include some or all of, but are not limited to, such actions as the following:

- (i) prescribing a schedule of hours covering use of water (whether it be for irrigation or Domestic Use),
- (ii) prohibiting use of water for irrigation purposes,
- (iii) limiting the total number of gallons of water used per quarter per Member,
- (iv) prioritizing water usage by Members for Domestic Use and/or livestock purposes before irrigation purposes, and
- (v) such other actions as the Board determines are appropriate to maintain an equitable distribution of water supply to the Members with a prioritization for domestic uses before irrigation uses.

3.6 Use of water provided by a Water Tap on the Company's Water Main on property outside the boundaries of the property for which the Water Tap is provided is prohibited. Violation of this prohibition shall be subject to penalty at the discretion of the Board.

SECTION 4. CONSTRUCTION OF SERVICE LINES

- 4.1** Construction and maintenance of all Service Lines and curb stop valves shall be done at Member's expense by plumbers licensed by the appropriate governmental agency in accordance with the applicable plumbing codes of the State of Colorado, the County of Boulder and these P&P.
- 4.2** Existing Service Lines may be used in connection with new buildings only when found, on examination by System ORC, to meet all the requirements of these P&P.
- 4.3** The type of Service Line and curb stop valves and location thereof must be approved by the System ORC.
- 4.4** A curb stop valve shall be located as close as practical to the Company Water Main, typically between the road and the Member's property line. The curb stop valve shall have an easy to locate and service curb stop box (typically a buffalo box style tube).
- 4.5** The Service Line shall be brought to a depth of at least eight (8) feet of cover as quickly as possible from the Stub-in on the Water Main and continue at this depth to the curb stop. The depth and construction of the Service Line from the curb stop to the home is up to the Member in accordance with the applicable building codes. However, Member is advised that in the experience of the Company, eight (8) feet of cover is required to prevent the Service Line from freezing in our area of service.
- 4.6** All excavations required for the installation of the Service Lines shall be open-trench work, unless otherwise approved by the System ORC. Pipe laying and backfill shall be performed in accordance with the Company's standard specifications as set forth herein.
- 4.7** A welding cable shall be attached to the Water Main next to the Water Tap to be used to thaw the Water Main in the event of a freeze. The cable should be easily locatable close to the curb stop access box.



- 4.8** The Member shall notify the System ORC when the Service Line and curb stop valve are ready for inspection and connection to the Company's Water Main.
- 4.9** Revocation of Authorization: The violation of any of these P&P, or the Company's installation specifications, shall constitute sufficient grounds for revocation of the authorization to install a Water Tap. Whenever it appears a violation has been committed, the Member shall be sent a written notice and the Member shall have 5 days (or such other reasonable period as the Company and Member mutually agree to) to correct the violation. Work shall not be authorized by the Company to continue until the violation is cured to the reasonable satisfaction of the System ORC.
- 4.10** Prior to commencement of work, the Member or its Contractor shall provide to the Company the following:
- (i) a copy of the construction permit issued by Boulder County,
 - (ii) a letter of permission from the County Commissioners to work in the County streets and roads,
 - (iii) a performance bond in an amount set by the Company and,
 - (iv) an insurance certificate to include the following:
 - (a) the Company as a named insured

- (b) Minimum of \$300,000.00 of personal liability and \$300,000.00 of property damage coverage
- (c) Workmen's Compensation insurance carried in accordance with the provisions of the Workmen's Compensation Act, as amended, of the State of Colorado.
- (d) Builder's risk insurance in an amount equal to the completed value of the construction project.

- 4.11** All contractors, plumbers and others doing work on the Water Main, Service Lines, or structures in the area serviced by the Company, shall comply with Boulder County or State Highway Department regulations on excavation, backfill, compaction and restoration of surfacing unless such requirements shall have been waived by the Company in writing. Notwithstanding the foregoing, all streets shall be restored to their condition prior to excavation. The Company may impose conditions and restrictions appropriate to assure compliance by contractors and plumbers.
- 4.12** All construction work and materials shall meet the standards and specifications of the Company as set forth in herein.
- 4.13** All permits, fees and licenses shall be paid for by the Member, prior to the start of construction.
- 4.14** All excavations for water service installations shall be adequately guarded with barricades and lights so as to protect the public from hazard. Streets, sidewalks, parkways, and other public or private property disturbed in the course of the work shall be restored to the same condition as existed immediately prior to the commencement of the work and in a manner satisfactory to the System ORC or private property owner as applicable.
- 4.15** All daily inspection fees on water construction required by Boulder County or the State Highway Department shall be paid by the Member.
- 4.16** Inspection Charges - There shall be no inspection charges for inspections by the System ORC in connection with Water Mains and Service Lines.
- 4.17** The Board must provide written authorization for making new Water Taps on to the Company Water Mains and the System ORC is the sole individual authorized to supervise the installation of new Water Taps.

SECTION 5. WATER MAIN EXTENSIONS

- 5.1** Requirements in Section 4 of these P&P are also applicable to this Section except that the amount of insurance required per Section 4.10(iv)(b) shall be adjusted to \$1,000,000 minimum for personal liability and property damage coverage in an amount to be determined by the Company at the time of the project, but in no event to be less than \$1,000,000. The term “Water Mains” shall include tanks, pumps and related facilities, when applicable.
- 5.2** All Water Main extensions within the jurisdiction of the Company must have the prior approval of the Board. Plans for such extensions shall be submitted to the Company’s System ORC, Plant Manager/Vice President, Distribution Manager/Vice President, along with the application for a line extension. The Vice President, Distribution Manager shall then submit the recommended plans, with appropriate documentation, to the Board for final approval. Said plans shall be reviewed for compliance with the Company’s specifications as set forth herein and with other specifications and requirements appropriate to the situation as determined by the Company, and such study for compliance shall be at the Member’s expense.
- 5.3** Locations of Water Extensions and Additions - Water mains shall be installed in roads or streets which the County, State Highway Department, or other public agency, has accepted for maintenance as a public right-of-way, as well as in easements granted to the Company.
- 5.4** Procedure for Water Main Extension Construction - If the land owners, developer or subdivider have agreed to the engineering layout or design and preliminary cost estimated for the work, they shall obtain written authorization for the project from the Company, and they shall either:
- (a) Deposit in advance with the Company an amount equal to the cost of the contract to be let, so that the Company can construct the line extension with its own forces, or they shall
 - (b) Obtain reasonably competitive bids directly from the contractor(s) for the work, holding the Company harmless for the payment to the contractor(s), and one (1) year’s maintenance bond, and let the contract(s) to the lowest responsible bidder. All such bids are subject to the approval of the Company.

If (a) above is elected, and the cost of the work shall increase through change order, the land owner, subdivider, or developer shall be so notified, and no change order shall be approved until the deficiency is added to the deposit. Upon completion of the work, the final cost shall be certified by the engineers and any overage refunded, or deficiency made up, by the landowner, subdivider, or developer.

- 5.5** All water main extensions which are approved and are to be constructed by the Company shall be contracted for by the Company, with the Contractor installing the mains being responsible to the Company. Construction of these lines, and consulting engineering fees as established herein, shall be paid by the Company.
- 5.6** A payment and performance and maintenance bond equal to one hundred percent (100%) of contract (or construction cost) shall be furnished to the Company on all Water Main construction contracted for by the Company.
- 5.7** All daily inspection fees on Water Mains required by the County of Boulder, the State Highway Department, or local governments, shall be paid by the party contracting for the work (either a Member or the Company).
- 5.8** Special structures such as pumping stations, etc., required to ensure proper operation of the Water Main extensions, shall be constructed from designs of the Company's engineers or such other engineers as may be approved by the Board.
- 5.9** Land owners, subdividers or developers who have completed construction of water mains shall, before these lines are accepted by the Company for taps, deed these lines and appurtenances to the Company, free and clear of all liens and encumbrances, and the bond furnished in Paragraph 5.6 shall cover all maintenance for one (1) year from the date of acceptance of the lines by the Company.
 - 5.9.1** Prior to the acceptance of the lines by the Company, all easements necessarily accompanying these lines shall be duly recorded and provided for.
 - 5.9.2** Prior to the Company's acceptance of the lines, "as built" drawings shall be provided by the constructor or reasonable provision for such drawings made.
- 5.10** Each land owner, subdivider, or developer who desires water service will, in consultation with and approval of the Company, plat and grant to the Company appropriate easements and right-of-ways in which to construct the same, where such facilities be required to cross

land not being subdivided, or under the subdivider's control for granting public right-of- way.

5.11 The Constructor shall be responsible for oversizing main line extensions where required by the Board.

5.12 Notwithstanding any provision of this Section, the Company may, in its discretion, extend water mains under such conditions as the Board deems appropriate.

SECTION 6. RATES AND CHARGES

6.1 Schedule of Fees: The current schedule of all quarterly fees, late fees (including penalties and interest), special assessments, New Member Fees, Reinstatement Fees and any other charges which may be billed by the Company to the Members (when discussed as a group, all fees, assessments and charges hereinafter referred to together as "Total Charges") are as set forth on the Company's website. Water charges to the Member shall commence on the date the service is made available, regardless of whether the member connects to the system or is actually using water.

6.2 Payment of Total Charges: It shall be the policy of the Company to bill Total Charges quarterly in arrears, unless otherwise specified by the Company.

6.2.1 The Total Charges shall be mailed to each customer once every quarter.

6.2.2 The Member shall pay to the Company, within thirty (30) days after the postmarked date shown on the envelope for said statement, the full amount of Total Charges shown on that statement, except if the Member feels said statement is in error, the Member must file, in writing within 10 days, a notice to the Company of the presumed error, and request a clarification from the Company. Upon review by the Board of Directors, and re-submittal and/or revision of the statement, payment shall be due no later than thirty (30) days from the postmarked date of the new statement.

6.3 Penalty for Late Payment: In accordance with the Bylaws, penalties, including interest shall be charged by the Company for any late payment. The type and amount of such late fees and penalties are set forth on the schedule of fees on the Company's website.

Also in accordance with the Bylaws, the Company shall have the right to assess to any Member who is tardy in payment of his account, all legal, court, and other costs necessary to or incidental to the collection of said account.

The Bylaws also provide the Company the authority to enforce the collection of Total Charges through various means, including:

- (i) by cancellation of the delinquent Membership,
- (ii) by personal action of debt brought against the delinquent Member in a court of competent jurisdiction,
- (iii) by foreclosure and sale of the real property appurtenant to the delinquent Membership and,
- (iv) by withholding the delivery of water from the service connection of the delinquent Member. Termination of service due to delinquent payment as outlined above does not relieve user from payment due.

6.4

(1) turn on curb stop service per year for those Members wishing to winterize their properties for the winter and for prearranged plumbing requirements providing the curb stop is easy to find, service, and operate. Any curb stop service that takes more than ½ hour to perform will be billed at a rate of \$50 per hour. Curb stop service that takes less than ½ hour will not be charged to the Member.

6.5 **Leak Policy**

Metered Water Loss – All leaks which are recorded by volume on the Member's water meter shall be billed at the normal rates based on usage level as set forth on Company's fee schedule on Company's website.

Unmetered Water Loss – Any property having a water loss which is not accurately recorded on the water meter shall be charged according to the following scale:

Amount of water loss	Charge Per Incident
Over 10,000 gallons but less than 50,000	\$100.00
Over 50,000 bout less than 100,000	\$200.00
Over 100,000 gallons	\$400.00

The volume of water lost as a result of an unmetered leak shall be determined by two or more of the following methods:

1. Current daily average water use recorded at the treatment plant,
2. Historic use and consumption for specific property.
3. Leak flow measurement and estimate by Company personnel on location.
4. Physical evidence.

Emergency Shut-off Fee – Any property which has a water loss (metered or unmetered) shall be charged an additional \$50.00 fee for the emergency shutoff of the water. If the curb stop is not easily locatable or easily operable, customers will be charged at a rate of \$50.00 per man-hour over the initial 30 minutes. Water shut-off is automatic and will stay in effect until necessary repairs have been made to the property. The Company will make reasonable effort to notify Members of any water leak and subsequent shut off.

Repeat Offenders – Any property which has two or more water losses in a twenty four (24) month period may be subject to additional penalty by determination of the Board. This may include turning off water supply until corrective actions (to the Board's satisfaction) are taken to prevent future repeat issues.

Water Service Inspection – Upon request, System ORC, or their assignee, will inspect a Member's property to determine potential problems with water service and recommend methods to prevent damage and water loss. There is no charge for this service.

SECTION 7. CONFLICT OF INTEREST POLICY ADDENDUM TO POLICY AND PROCEDURES

This Addendum is made and entered into as of this 6th day of February, 2023 by the Board of Directors ("Directors") of MEADOW MOUNTAIN WATER SUPPLY COMPANY ("MMWSC"), a not-for-profit private company in the State of Colorado, in accordance with and further to the Bylaws which govern the functions of MMWSC.

RECITALS

WHEREAS, MMWSC, from time to time, desires to acquire goods and business services pursuant to the execution of its role and responsibilities;

WHEREAS, there may arise instances where MMWSC deems in its best interest that these goods or business services be acquired from Parties that may be in a situation constituting potential conflict of interest;

WHEREAS, these Parties may derive financial or other benefit through the conduction of business with or let out by MMWSC;

WHEREAS, these Parties might include, but not be limited to MMWSC Directors, employees, their partners or immediate family, or agents thereof;

NOW, THEREFORE, for and in consideration of establishing written policy and procedures under which MMWSC may enter into a business relationship with any Party having an identified, or potential conflict of interest, MMWSC sets forth the necessary conditions, requirements, and approval procedures as follows:

ARTICLE 1

CONDITIONS AND REQUIREMENTS

Section 1.01: All of the following conditions or requirements must be met before the Board of Directors are permitted to consider approval of a waiver of the conflict of interest, and permit engaging the Party in a business relationship with MMWSC.

(a) The Party with the real or potential conflict of interest (“Conflict”) is required to disclose this to the Board of Directors, in a manner such that the conflict can be described and documented, e.g., in written correspondence to the Board of Directors, or verbally in a Board of Directors or General Membership meeting where the Conflict can be documented in the minutes of the meeting.

(b) All Directors must be notified of the nature and extent of the Conflict.

(c) It must be disclosed whether or not the Party is, or includes within its group, a member of the Board of Directors.

ARTICLE 2

APPROVAL PROCEDURES

Section 2.01: The Board of Directors may, at its discretion, elect to waive the identified Conflict and approve engaging in a business relationship with the Party as defined in the Conflict description submitted as per Section 1.01 (a). Unanimous approval by the eligible Directors, as detailed below in Sections 2.02 and 2.03 is required for this approval. The voting must take place in a manner consistent with the recorded Bylaws (e.g., in-person, via teleconference, by proxy, etc.), and be documented in a manner available for review by the membership of MMWSC.

Section 2.02: For Conflicts Involving Directors. Any Director involved with the Party in conflict is INELIGIBLE to vote regarding the proposed waiver of Conflict and approval to engage in business with the Party. For such purpose, unanimity shall be required of all other Directors who are eligible to vote. In no case shall it be permitted that the number of Directors eligible to vote on and approve the proposal be less than a majority of the total number of Directors on The Board.

Section 2.03: For Conflicts NOT Involving Any Director. For any Conflict involving a Party related to MMWSC, but not involving a Director (e.g., those involving employees, their family members or agents), all Directors are eligible to vote regarding the proposed waiver of Conflict, and approve engaging in business with the Party.

ARTICLE 3
MANAGEMENT AND SUPERVISION OF CONFLICT-OF-INTEREST BUSINESS
RELATIONSHIPS

Section 3.01: Management and supervision of a Conflict for which the Directors have approved a waiver of conflict shall be done in accordance with the recorded Bylaws, in a like manner to all other business relationships having or not having identified Conflicts. The Board of Directors, or its assignee(s) or designee(s) shall be responsible for this management and supervision.