

Dear Community System Property Owner,

The Water & Sewer Association Board of Directors has voted to adopt the policy and procedure described below as it relates to private property water leaks found in the community water system. This policy is important to the Water & Sewer Association for three major reasons:

1. When private property water leaks have occurred in the past, there was no policy to address the situation and related costs to the Association.
2. The Association needs to minimize expenses and should be reimbursed for costs incurred as a result of leaks caused by homeowner negligence.
3. A clear policy and procedure will increase awareness and preventive actions on the part of our homeowners.

**GLACIER VIEW MEADOWS WATER AND SEWER ASSOCIATION
PROCEDURE FOR CHARGING INDIVIDUAL HOMEOWNERS FOR WATER LEAKS
Effective October 1, 2011**

1. Introduction

The Board of Directors (the "Board") of Glacier View Meadows (GVM) Water and Sewer Association, a Colorado non-profit corporation (the "Association"), acting pursuant to the powers set forth in the Association's Bylaws, Articles of Incorporation, the Master Declaration for Glacier View Meadows (the "Declaration") (such documents being collectively referred to as the "Association Documents"), and the Colorado Common Interest Ownership Act ("CCIOA"), has enacted the following Procedures effective as of the date set forth above. Unless the context otherwise indicates, capitalized words and terms shall have the meanings set forth in the Association Documents and, if not defined in the Association Documents, then as set forth in CCIOA. These Procedures supersede any previously adopted Policy on the same subject matter.

2. Purpose of Procedure

The purpose of this Procedure is to specify the conditions under which the Association may charge costs incurred by the Association to individual property owners as a result of the Association incurring costs to address and correct major household water leaks resulting in water loss and related Association labor costs in leak detection and resolution due to the negligence of the individual homeowner. Homeowner responsibilities for water leak prevention are also described. **THIS PROCEDURE APPLIES ONLY TO PROPERTIES SERVED BY A COMMUNITY WATER SYSTEM.**

3. Common Preventable Sources of Leaks

Most water leaks that occur to properties within the Association are the result of frozen pipes and can be summarized as follows:

- a. Frozen and broken underground service lines
- b. Frozen and broken indoor water lines
- c. Corroded and leaking water heaters
- d. Frozen and broken toilet tank valves
- e. Frozen and broken outdoor faucets

4. Homeowner Responsibilities for Water Leak Prevention

It is the responsibility of each property owner to take the necessary precautions to ensure that their pipes do not freeze in the winter. Those precautions include, but are not limited to, the following:

- a. Turning off the main water supply inside the dwelling when it is not being occupied for an extended period of time – especially during winter months
- b. Requesting the Association to shut-off the water service line curb stop when the dwelling is not being occupied for an extended period of time – especially during winter months
- c. Ensuring that home heating systems are properly working and have adequate fuel supply when the dwelling is not occupied for an extended period of time during winter months
- d. Placing RV antifreeze in all toilet bowls/tanks when the dwelling is not occupied for an extended period of time during winter months
- e. Ensuring that water heaters are in sound condition and water supply is off
- f. Ensuring that all water line heat tapes are on and properly operating including the service line to the dwelling
- g. Ensuring that all outdoor hose bibs/faucets are properly protected against freezing

The failure of any property owner to take any of the above precautions to ensure that their pipes do not freeze may be evidence of negligence on the part of the property owner should their pipes freeze and break.

5. Determination for Association Cost Reimbursement

Each water leak occurrence is unique and will be reviewed on a case by case basis. The Association Board of Directors has the discretion to charge homeowners for Association incurred costs if it is determined that the cause of the leak was preventable and was due to homeowner negligence with regard to the responsibilities outlined in Section 4 above. If negligence is determined, the following costs may be charged to the responsible homeowner. Water leak case reviews will be held during the next regular monthly Board of Directors meeting following the date of the actual leak occurrence.

Reimbursement of Costs Incurred by the Association including:

- a. Employee time spent looking for the system leak charged at \$45/hr for each employee working on the problem
- b. Backhoe time charged at \$100/hr including an operator
- c. Association's cost of labor (\$45/hr) and materials required to stop the leak.

6. Payment of Charges

Homeowners who are charged for reimbursement shall pay in full within 30 days after the date of the invoice or may opt to have the balance split over their remaining monthly Water & Sewer payments for the current fiscal year. The Association will work with homeowners who are making claims against their homeowners insurance policy and will provide any information required with respect to this policy.

7. Hearing Procedures

A. Right to Hearing.

Any property owner who believes he or she was charged in error, or who feels there are mitigating circumstances, has the right to request a hearing before the Board. To request a hearing, the Owner must contact the Association in writing within four days after the effective date of the Notice. The Association's Board shall then set a date for the hearing. If the hearing, for whatever reason, cannot be held prior to the date when the fine is otherwise scheduled to commence, the date the fine begins shall be extended to the day following the hearing. The Board will decide if any potential conflict of interest exists on a case-by-case basis. The purpose of the hearing is to 1) determine if there was a mistake made in issuing the Notice; 2) determine if there are mitigating circumstances.

The hearing process will not and cannot be used to determine if a particular provision of the Association Documents is desirable.

B. Hearing Procedure.

The general procedure for the hearing is as follows:

i. The presiding Board member shall (1) establish a quorum, (2) explain the Water Leak Policy and procedures, and (3) describe the nature of the water leak subject to charges as specified in the Notice.

ii. The Owner may then provide rebuttal to the Notice using witnesses or any other information deemed relevant and necessary.

iii. After all testimony and other evidence has been presented, the Board shall decide whether or not the Notice was justified, or whether there were mitigating circumstances. If the Board finds the Notice was justified, charges shall then be assessed by the Board or mutually agreeable arrangements made with the Owner to ensure adequate compensation to the Association for the water leak. If the Board finds the Notice was not justified, no charges shall be assessed.

CERTIFICATION

The undersigned, being the duly elected and acting Secretary of the Glacier View Meadows Water and Sewer Association (the "Association") certifies that the foregoing Procedures for the Adoption and Amendment of Policies, Procedures and Rules was approved by the vote of at least a majority of the Association's Directors at a meeting of the Association's Board of Directors held on August 17, 2011.

Dated this August 22, 2011

Glacier View Meadows Water and
Sewer Association

By:


Secretary