

**RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
DOMINION WATER & SANITATION DISTRICT**

A RESOLUTION REGARDING CONDITIONS OF RECEIVING WATER SERVICE

WHEREAS, Dominion Water & Sanitation District (the “**District**”) is a special district operating as a quasi-municipal corporation and political subdivision of the State of Colorado (the “**State**”) by virtue of organization under §§ 32-1-101, *et seq.*, C.R.S.; and

WHEREAS, the Douglas County (the “**County**”) Board of County Commissioners approved the Dominion Water & Sanitation District Service Plan on October 27, 2004 (the “**Service Plan**”); and

WHEREAS, the Douglas County District Court granted an Order and Decree organizing the District on November 23, 2004; and

WHEREAS, Article III of the Service Plan establishes the authority of the District to provide water, sanitary sewer and storm drainage services within its defined service area (the “**Service Area**”); and

WHEREAS, pursuant to § 32-1-1001(1)(m), C.R.S., the District is empowered to adopt, amend and enforce certain rules and regulations for the purpose of carrying on the business, objects, and affairs of the Board of Directors of the District (the “**Board**”); and

WHEREAS, in December 2018 the District adopted its Rules and Regulations and subsequently modified those Rules and Regulations in January of 2020 (collectively, the “**Rules and Regulations**”); and

WHEREAS, the District is currently conducting a complete review of its Rules and Regulations (the “**R&R Review**”) to ensure that they clearly establish, among other things, the appropriate procedures and conditions that are necessary to provide water service to future Retail Providers; and

WHEREAS, water is a finite resource and the District has a responsibility to both existing and future Retail Providers to ensure that water service is provided in the most efficient and effective manner possible; and

WHEREAS, the District is adopting this Resolution to make certain that prospective Retail Providers are aware of the District’s current review of its Rules and Regulations and to reaffirm certain longstanding policies of the District as they relate to the provision of water service within its Service Area;

WHEREAS, the general policy principals that have been reaffirmed herein were previously

set forth in the Rules and Regulations and may be strengthened as a result of the R&R Review but are not expected to be weakened or eliminated as a result of the R&R Review; and

WHEREAS, the Board has determined that adopting this Resolution in order to reaffirm the policies set forth herein is in the best interest of the District and both its existing and future Retail Providers; and

WHEREAS, all capitalized terms contained herein and not otherwise defined shall have the meaning given to them in the Rules and Regulations; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DISTRICT AS FOLLOWS:

1. Dedication of Groundwater. Consistent with Section 3.14 of the Rules and Regulations, the District hereby reaffirms its policy that as a condition of receiving Wholesale Water Service, the Applicant may be required to dedicate the groundwater underlying the subject property. This policy has been previously adopted by the District through its Rules and Regulations to ensure that a firm water supply exists to meet the needs of its Retail Providers. Restating this policy by way of this Resolution does not amend the Rules and Regulations but is instead intended to amplify the importance of this issue and to make all potential Retail Customers aware of this particular rule and the District's expectations regarding satisfaction of this condition.

2. Conservation of Water. As set forth in Section 6.1 of the Rules and Regulations, the District encourages Retail Providers to conserve water. The demand for renewable water continues to increase in the County and across the State, and in response to this increasing demand, the District has placed additional emphasis on the need for efficient use of water. Water conservation and demand management measures are essential to ensuring that the District has the water supply necessary to meet the growing needs of its Service Area. For this reason, the District will require a thorough and complete conservation and demand management plan of all future Retail Providers. These plans must be approved by the District as a condition of receiving service and is generally expected to be consistent with the water conservation and demand management measures being implemented by current Retail Providers.

3. Conflict with Rules and Regulations. To the extent any provision, statement or clause established by this Resolution is found to be in conflict with the Rules and Regulations, as such may be amended, the conflict shall be resolved in favor of the Rules and Regulations.

4. Purpose. The purpose of this Resolution is to reaffirm the District's commitment to certain policy matters and bolster public transparency during a time when the District is conducting a complete review of its Rules and Regulations. The policies addressed in this Resolution may be of interest to Retail Providers seeking Wholesale Water Service from the District and as such the Board desires to ensure that all interested parties are aware of the District's position on these matters.

5. Severability and Invalidation. If any provision, paragraph, sentence, clause, phrase or word herein, or the application thereof in any given circumstance of this Resolution is found to be invalid by any court of competent jurisdiction, such finding shall not affect the validity of the

remainder of this Resolution, unless such invalidation would act to destroy the intent or essence of this Resolution.

6. Attorneys. In the event there is litigation over the enforceability of this Resolution, the prevailing party in such litigation shall be awarded its reasonable attorneys' fees.

ADOPTED THIS 31ST DAY OF AUGUST, 2021.

DOMINION WATER & SANITATION
DISTRICT

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Officer of the District

ATTEST:



APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys At Law

DocuSigned by:

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General Counsel to the District

Signature Page to Resolution Regarding Conditions of Receiving Water Service