

**RESOLUTION OF THE BOARD OF DIRECTORS OF
DOMINION WATER & SANITATION DISTRICT
ADOPTING AMENDED AND RESTATED RULES AND REGULATIONS**

WHEREAS, pursuant to the authority contained in Title 32, Article I, Part 10, C.R.S., and § 29-1-203, C.R.S., Dominion Water & Sanitation District (“**Dominion**”) adopted its Amended and Restated Rules and Regulations on October 18, 2022 (the “**Prior Rules and Regulations**”); and

WHEREAS, pursuant to the authority contained in Title 32, Article I, Part 10, C.R.S., and §29-1-203, C.R.S., Dominion has the authority to amend the Prior Rules and Regulations from time to time; and

WHEREAS, Dominion desires to revise the Prior Rules and Regulations to reflect industry best practices and current development plans; and

WHEREAS, Dominion has determined that it is necessary and in the best interest of its service users to amend and restate the Prior Rules and Regulations as set forth in herein.

NOW, THEREFORE, BE IT RESOLVE BY THE BOARD OF DIRECTORS OF DOMINION (THE “**BOARD**”), AS FOLLOWS:

1. Amended and Restated Rules and Regulations. Effective as of the date of this Resolution, the Prior Rules and Regulations are hereby amended and restated in the form attached hereto as Exhibit A, to be in effect until subsequently amended by the Board by resolution.

2. Severability. If any portion of this Resolution is declared by any court of competent jurisdiction to be invalid, void or unenforceable, such decision shall not affect the validity of any other portion of this Resolution which shall remain in full force and effect, the intention being that such portions are severable. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Resolution a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

3. Ratification. All provisions of the Prior Rules and Regulations not expressly modified by this Resolution shall remain unchanged and in full force and effect. In the event of any express conflict or inconsistency between the terms of the Rules and Regulations and this Resolution, this Resolution shall control and govern.

[Signature Page Follows]

ADOPTED AUGUST 15, 2023.

DISTRICT:

**DOMINION WATER & SANITATION
DISTRICT**, a quasi-municipal corporation and
political subdivision of the State of Colorado

By: 

Jeffrey LaForte, President

Attest:

By: 

Trina Hartman, Secretary

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



Blair Dickhoner, General Counsel to the District

EXHIBIT A
Amended and Restated Rules and Regulations

DWSD Water & Sanitation District

Rules & Regulations

Amended and Restated on October 18, 2022

Revised on August 15, 2023

10-18-2022

8-23-2023 (Revised)

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Chapter 1. Executive Summary

Dominion Water & Sanitation District (DWSD) provides wholesale water and wastewater services as defined in the 2004 DWSD Service Plan adopted by the DWSD Board of Directors and approved by the Douglas County Board of County Commissioners (BOCC) (see Appendix A). DWSD's mission is to provide safe, reliable and sustainable water supplies and wastewater treatment to its Retail Districts. To provide reliable and sustainable water supplies, DWSD secured a conjunctive use water supply portfolio that consists of both renewable surface and alluvial water supplies plus non-renewable deep aquifer supplies from the Denver Basin. To date,¹ DWSD has provided 100% renewable water supplies to its existing Retail Districts and will continue to achieve or exceed 70% renewable water supplies at buildout of DWSD's Service Area. Wastewater is currently conveyed to the existing South Platte Renew Facility (previously Bi-Cities Wastewater Treatment Plant) for treatment and discharge to the South Platte River. In the future, DWSD will construct a state-of-the-art wastewater treatment facility to be located at the Chatfield Basin Water Reclamation Facility (CBWRF), previously the Roxborough Wastewater Treatment Plant, to discharge treated effluent to the South Platte River.

The DWSD service area (Figure 1) encompasses approximately 33,000 acres and is an overlay district as defined by Douglas County. At inception, DWSD committed to provide Wholesale Water and Wastewater services to Sterling Ranch Community Authority Board (Sterling Ranch CAB) and those existing Retail Districts² located within the DWSD service area, that are reliant on declining, non-renewable groundwater supplies. DWSD remains committed to this vision. DWSD may elect to provide either wholesale water and/or wastewater services to future or existing Retail Districts within the DWSD service area should water supplies beyond those already committed become available, or a new or existing Retail District, defined as a Title 32 Special District or Municipality, within the DWSD service area provides renewable water supplies, either in water or cash-in-lieu. All existing and future Retail Districts are subject to these Rules and Regulations that have been adopted by the DWSD Board and subsequent revisions approved and adopted by the DWSD Board from time to time. These Rules and Regulations amend and restate all previous Rules and Regulations and supersede and replace any prior versions. Any conflict between these Rules and Regulations and prior versions shall be resolved in favor of this version.

¹ Date of Adoption October 18, 2022

² Existing Retail Districts are defined as those Title 32 Districts or municipalities in existence as of February 12, 2009

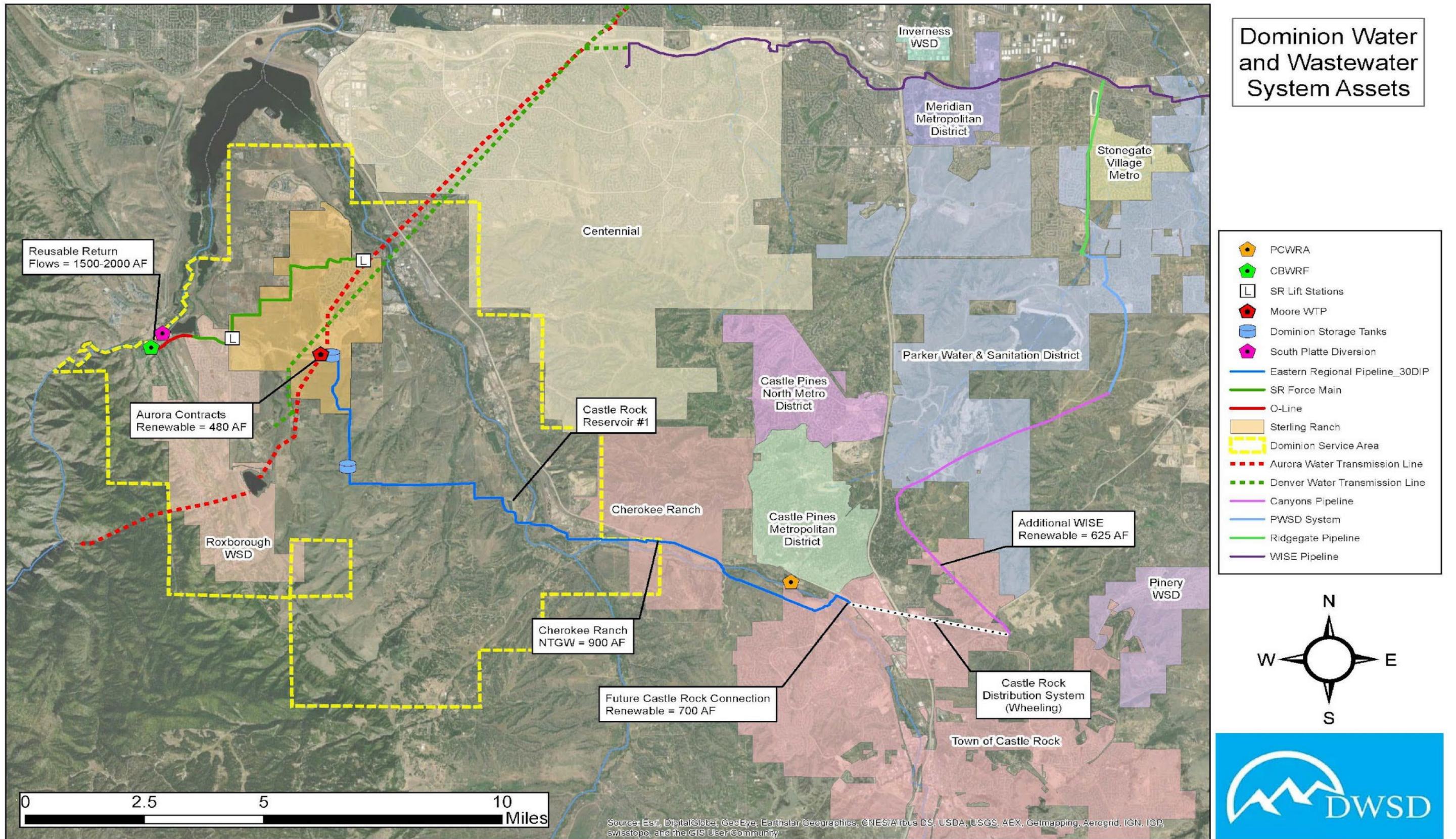


Figure 1 – DWSD Water and Wastewater System

Chapter 2. General

Section 2.01 Scope and Purpose

The purpose of these Rules and Regulations is to provide for the control, management and operation of the water and wastewater systems of DWSD, including additions, extensions and connections hereto, and to provide for the administration and enforcement of these Rules and Regulations, as well as applicable State and Federal Laws. Service by DWSD will be available in accordance with these Rules and Regulations, subject to availability of water supplies and capacity of facilities. In addition, these Rules and Regulations are necessary to promote the financial security of DWSD.

Section 2.02 Statutory Authority

DWSD, a quasi-municipal corporation and political subdivision of the State of Colorado, adopts these Rules and Regulations in accordance with the authority conferred under Title 32, Article I, Part 10, C.R.S., as may be amended, with all the powers which are specifically granted to DWSD or are necessary or incidental to or implied from powers specifically granted by statute, constitutional or other law, for carrying out the objectives and purposes of DWSD.

Section 2.03 Effective Date and Amendments

These Rules and Regulations shall be effective immediately upon adoption by a majority of DWSD's Board of Directors (DWSD Board). Amendments to these Rules and Regulations may occur periodically and will be adopted by DWSD in the same manner.

Section 2.04 District System

(a) Water Supply

DWSD's current water supply portfolio is a robust conjunctive supply that consists of renewable water supplies as well as non-renewable groundwater supplies for drought tolerance and resiliency. DWSD is committed to providing up to or exceeding 70% renewable supplies, on an average annual basis, to its Retail Districts. DWSD's water supply portfolio, provided below, was financed by Sterling Ranch LLC and Sterling Ranch Development Company, and dedicated to DWSD, for the benefit of the Sterling Ranch CAB and those existing Retail Districts whose primary drinking water supply comes from non-renewable groundwater supplies.

DWSD's water supply portfolio is described in Appendix B.

Section 2.05 DWSD Water Delivery System & Water Supplies

(a) Water Treatment

DWSD's water supply from the west side is treated at the Larry D. Moore WTP (Moore WTP), constructed by Roxborough in 2017, and has capacity to treat up to 8 MGD of water. Pursuant to an agreement between DWSD and Roxborough, DWSD currently owns 2 MGD of capacity within the Moore WTP. Roxborough also owns 2 MGD of capacity within this facility. Since the Moore WTP is expandable to 8 MGD, both parties have an additional 2 MGD of capacity reserved. The additional 2 MGD of capacity will bring DWSD's total capacity in the Moore WTP to 4 MGD.

DWSD's water supply from the east side consists of 1) treated water from Water Infrastructure Supply Efficiency (WISE) delivered through the Castle Rock connection, 2) treated, firming water supplies from Castle Rock's system, and 3) treated Cherokee Ranch groundwater. All treated deliveries from the east side will be delivered through the Eastern Regional Pipeline (ERP) to the High Zone tank.

(b) Wastewater Treatment

DWSD currently conveys wastewater from the Sterling Ranch CAB's collection system through the Roxborough O-line and forcemain to the existing South Platte Renew Facility. This conveyance is anticipated to continue through 2028 or when DWSD constructs a new Wastewater Treatment Plant (Chatfield Basin Water Reclamation Facility (CBWRF)) in compliance with CDPHE regulations to serve its customers.

DWSD is currently finalizing agreements with Douglas County and The Town of Castle Rock acting through Castle Rock Water to expedite the design and construction of the CBWRF to serve as a Regional Wastewater Treatment Facility for the Santa Fe Corridor. The agreement includes provisions for up to 0.2 Million Gallons per Day (MGD) of capacity that will be reserved for Douglas County within the existing Sterling Ranch Community Authority Board (CAB) and DWSD owned infrastructure to include the CBWRF.

(c) Water Conveyance and Storage

DWSD's regional infrastructure includes a 24- to 30-inch, 12-mile pipeline referred to as the Eastern Regional Pipeline (ERP). In addition to the ERP, DWSD owns two water storage tanks with a capacity of 1.2 million gallons and 2.0 million gallons, and 500 acre-feet (AF) of storage in Chatfield Reservoir. DWSD also owns its allotted share of WISE infrastructure to include 40 miles of pipeline. Additional infrastructure required to convey WISE waters to Douglas County will also be owned by each partner of South Metro Water Supply Authority (SMWSA), based on their apportioned share of water supplies. The intent of this infrastructure is to convey DWSD's allocated capacity of water supply within the WISE system to Northwest Douglas County. Additional water supplies, including firming supplies from Cherokee Ranch and water supplies from Castle Rock, will also be conveyed through the ERP. The ERP was constructed with tie-ins strategically located for future connection to existing Retail Districts who rely on non-renewable groundwater supplies or potential new or existing Retail Districts.

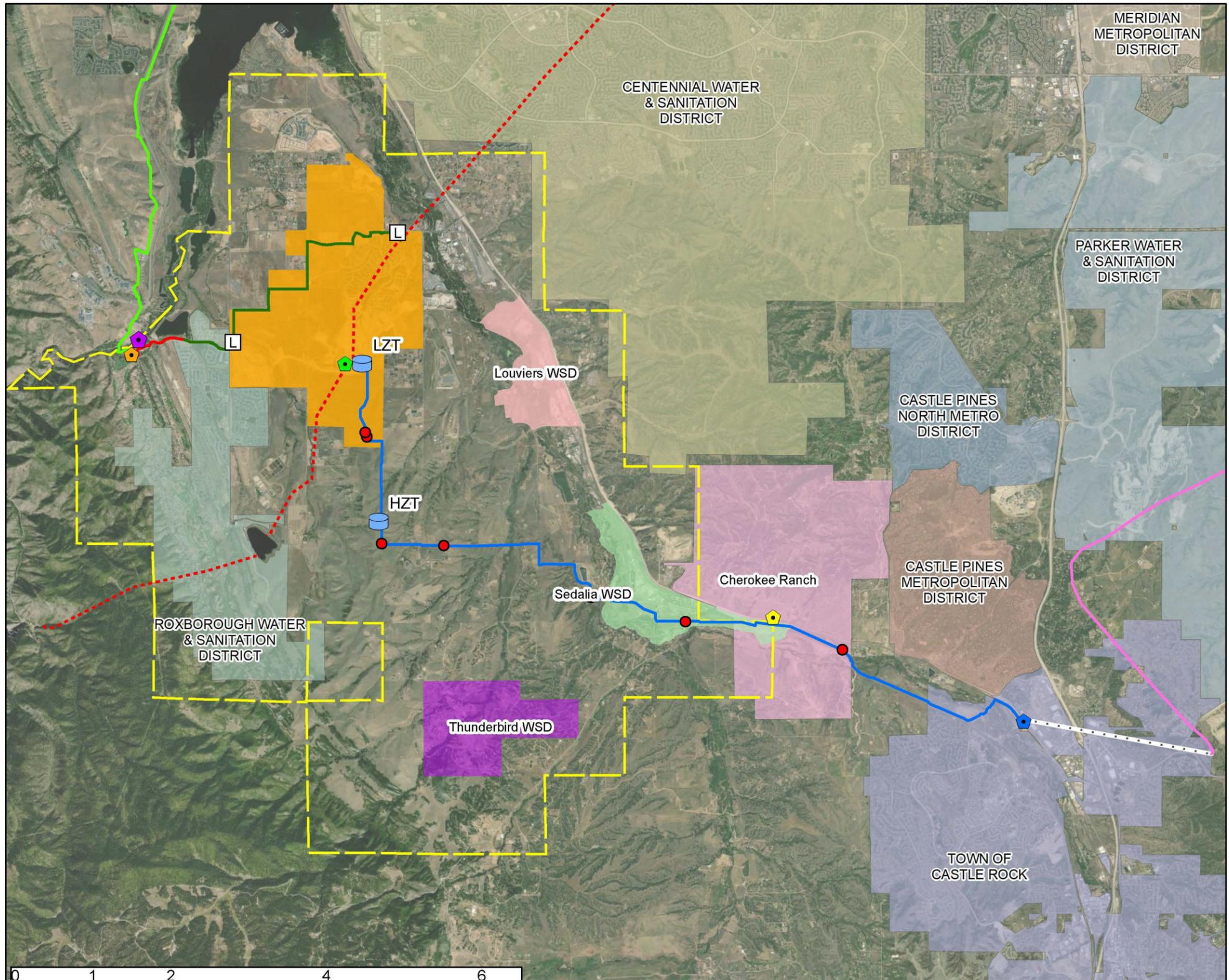
(d) Wastewater Conveyance

In 2018, DWSD designed and constructed the Willow Creek lift station that has a capacity of 1.0 MGD. Additional wastewater infrastructure, including the Titan Road lift station, with a capacity of 1.0 MGD, and the 18,500 lf Titan Road forcemain are currently owned by Sterling Ranch CAB, but will be conveyed to DWSD subject to DWSD's approval of those assets.

Section 2.06 Availability of Service

Wholesale Water and/or Wastewater services shall be available in accordance with these Rules and Regulations, and on the basis of the charges established therefore and subject to all penalties and charges for violations, or any statutes applicable and subject to 1) the availability of water supplies, 2) the capacity of the facilities, and 3) final approval of the DWSD Board. Service to

existing Retail Districts shall take precedence over service to Potential Retail Districts until an adequate supply of water and/or adequate sewage wastewater treatment facilities has been acquired, developed, and made available in and through the wholesale facilities of DWSD.



Dominion WSD System Assets

- Dominion Service Area
- Sterling Ranch
- Regional Pipelines**
- Aurora Rampart Raw Water Line
- Canyons Pipeline
- Castle Rock System
- Dominion Owned**
- ◆ Future Castle Rock Connection
- ◆ South Platte Diversion
- ◆ CBWRF
- ◆ Future Cherokee Ranch Groundwater Wellfield
- Dominion Storage Tanks
- Eastern Regional Pipeline
- ERP Outlets
- L Lift Stations
- Sterling Ranch Forcemain
- Jointly Owned/Shared Capacity**
- ◆ Moore WTP
- RWSD Forcemain
- O-Line

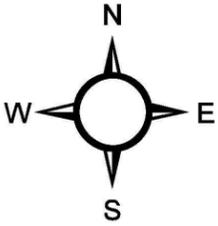


Figure 2 – DWSD System Assets

Section 2.07 Construction

It is the intent of the DWSD Board that these Rules and Regulations shall be liberally construed to implement the general purposes and policies set forth herein. Nothing set forth herein shall be construed as an alteration, waiver or deviation from any grant of power, or any limitation or restriction thereof, conferred or imposed upon DWSD by the statutes, constitutional provisions, or other laws or regulations of Colorado or of the United States as they currently exist and as they may exist in the future.

Section 2.08 Saving Provision

The enactment of these Rules and Regulations, any amendment thereof, or the repeal of any prior existing Rules and Regulations or Resolutions shall not deny or limit any right, action, cause of action, penalty charge or fee which arose under such provision.

Section 2.09 Repeal of Conflicting Resolution

All resolutions or parts of resolutions in conflict herewith are hereby repealed, except as may be expressly provided.

Section 2.10 Inclusion in Contracts

These Rules and Regulations are automatically incorporated into every contract, written or oral, for service, whether expressly referenced or not, to the extent they are not inconsistent with the contract.

Section 2.11 Authority to Inspect

Authorized representatives of DWSD, bearing proper identification, shall be permitted to enter upon all properties that encompass DWSD wholesale infrastructure or facilities for the purpose of inspection, observation, measurement, sampling, testing, and inspection of records of the water or sewer system, in accordance with the provisions of these Rules and Regulations. Failure to permit such inspections, observations, measurements, samplings, testing and/or inspection of records upon written request from DWSD may result in a finding that permission is being denied to avoid discovery of a violation. Such finding may result in disconnection of service to the Retail District, or other remedies as allowed under applicable law or these regulations, subject to the hearing and appeal procedures set forth in Section 10.02 of these Rules and Regulations.

Section 2.12 Severability

The invalidity of any section, clause, sentence, or provision of these Rules and Regulations shall not affect the validity of any other part of these Rules and Regulations which can be given effect without such invalid part or parts, and to this end the provisions of these Rules and Regulations are hereby declared to be severable.

Chapter 3. Definitions & Abbreviations

Section 3.01 Definitions

Unless the context indicates otherwise, the meaning of the terms used herein shall be as follows:

"Appellant" a Retail District filing an appeal as outlined in Section 10 herein.

"Authorization to Construct" formal written authorization from DWSD to the Retail District following DWSD approval of engineering design and construction plans, and all easements have been conveyed to DWSD.

"Available Water Supply" DWSD's existing water supply portfolio, as described in Appendix B, was financed by Sterling Ranch, LLC and Sterling Ranch Development Company for the benefit of Sterling Ranch CAB and those existing communities whose primary water supply is non-renewable groundwater sources. DWSD will determine, in its sole discretion, if water supplies are available for future Retail Districts without injury to its existing Retail District(s).

"Average Annual Basis" The average annual delivery of renewable and/or non-renewable water supplies over a ten-year rolling average used as the basis for defining DWSD's renewable target. DWSD is committed to providing its Retail Districts 70% renewable supplies, on an average annual basis, at buildout.

"Class of Service" DWSD service area is subdivided into three categories as defined in Section 5.01 on shown on Figure 3. Retail Districts located in each of the subdivided categories are subject to rates, charges and fees for that Class of Service as defined herein.

"Commercial Industrial Pretreatment Survey" Industrial and commercial facilities located within Retail Districts may generate wastewater that is significant to the S. Platte Renew facility or DWSD's wholesale wastewater infrastructure. DWSD requires that those discharges provide information regarding facility operations and chemical usage to allow for DWSD and S. Platte Renew to evaluate the significance of the wastewater discharge.

"Conditional Letter of Service" Letter of service from DWSD with detailed conditions precedent to continuing negotiations for potential water and/or wastewater service to a Potential Retail Customer or Retail District. Such conditions will be specific to the Potential Retail Customer or Retail District dependent upon the complexity of the request for service.

"Conditions of Service" DWSD will only provide wholesale water and/or wastewater service to Potential Retail Customers or Retail Districts who meet the conditions as provided within these Rules and Regulations.

"Conjunctive Use" DWSD's water supply portfolio consists of both renewable surface and alluvial water supplies plus non-renewable deep aquifer supplies from the Denver Basin.

"Connection Fee" the fee to be paid to DWSD to connect a Retail District to DWSD wholesale water and/or wastewater facilities. Connection fees will be updated periodically and reflect a cost per unit of capacity and shall be assessed to applicants equally, determined by Class of Service,

based on the amount of capacity DWSD determines is necessary to serve the applicant. The most current Rate Analysis is provided in Appendix B.

“Consecutive System” Means a public water system that receives some or all of its finished water from one or more wholesale systems. Delivery may be through a direct connection or through the distribution system of one or more consecutive systems.

“Conservation Plan” DWSD’s plan outlining the strategy or combination of strategies for reducing the consumption of water, reducing the loss and waste of water, improving, and maintaining the efficiency in the use of water, and increasing recycling and reuse of water.

“Contractor” shall mean any Person, firm, association, corporation, local government or agency performing work or furnishing materials to or for DWSD, directly or indirectly.

“Curtailement” shall mean a prohibition on the use of water as outlined in Section 8 herein.

“Dedication of Water” Water dedicated to DWSD for service. All dedicated water must include title, decree, and easements. Such dedication may include any decreed surface rights, alluvial groundwater rights, or Denver Basin water in the Denver, Arapahoe and Laramie-Fox Hills aquifers. Water dedication credit is only given for the non-tributary water (Denver and Arapahoe water supplies), and Not-non-tributary groundwater in the Denver and Arapahoe aquifers that can be augmented with Laramie-Fox Hills aquifer water.

“District Attorney” shall mean a public official who acts as prosecutor for the state or the federal government in court in a particular district.

“District Court” a federal or state court, herein defined as the state court in and for the County of Douglas.

“Drought” shall mean, within the context of DWSD’s water system, as a period of below normal precipitation and/or warmer temperatures that could result in reduced yield of renewable water supplies.

“Drought Management” shall mean the actions taken by DWSD through adopted Resolution of the DWSD Board to curtail water usage based on the stage of drought issued, as further outlined in Section 8 herein.

“Drought Mitigation and Response Plan” Drought mitigation, preparedness and response plan comprised of the appropriate measures and actions aimed at reducing the vulnerability to drought and reducing the impacts of droughts.

“DWSD” shall mean DWSD Water & Sanitation District, a quasi-municipal corporation and political subdivision of the State of Colorado.

“DWSD Board” shall mean the Board of Directors of DWSD Water & Sanitation District.

"Emergency Connection" shall mean a connection to DWSD Wholesale Water Facilities to be used by the connecting Retail District should an emergency as defined in the Intergovernmental Agreement (IGA) with said Retail District.

"End User" shall mean a connector to or user of the Retail Facilities of a Retail District.

"Engineer" shall mean a duly qualified, Registered Engineer in the State of Colorado.

"Existing Retail Districts" An existing retail district are those districts that DWSD is currently providing wholesale water and/or wastewater service to. As of the date of these Rules and Regulations, DWSD provides wholesale water and wastewater services to one Retail District, Sterling Ranch CAB.

"Existing Communities on Non-Renewable Groundwater" The residents, as of February 12, 2009, being served by the following Retail Districts, Louviers Water & Sanitation District, Sedalia Water & Sanitation District and Thunderbird Water & Sanitation District.

"Extinction" Water that can be used, reused, until fully consumed to extinction by the water rights holder.

"Financial Guarantee" a letter of credit or a cash deposit or similar financial instrument to be approved by DWSD to mitigate material costs to DWSD and/or its existing Retail Districts.

"Firm Water" The minimum amount of water that is physically and legally available to meet the demands of Retail Districts dependent on a variety of hydrological conditions from the raw water sources of a given water supply system.

"Fixed Service Fee" shall mean any fixed fee imposed by DWSD for water and/or waste water service.

"General Manager" shall mean the Person designated as General Manager by the DWSD Board, who administers and supervises the affairs of and operations and maintenance of facilities of DWSD or the Person authorized by the DWSD Board or the General Manager to act on his or her behalf.

"Intergovernmental Agreement" is any agreement that involves or is made between two or more governments in cooperation to solve problems of mutual concern. Intergovernmental agreements can be made between or among a broad range of governmental or quasi-governmental entities.

"Master Meter" shall mean the meter that records the water usage for the entire structure or facility for the Retail District.

"Master Meter Connection" The point or points of connection to the Retail District with DWSD wholesale water system that measures the use of water by that Retail District. This is the point of administration for DWSD.

“Mitigation” shall mean actions taken prior to the onset of Drought or Water Shortage to optimize water supply reliability and lessen or avoid adverse impacts during a Drought or Water Shortage.

“Mitigation and Response” How a Retail District or DWSD will respond to either a short-term or long-term event that impacts wholesale water and/or wastewater service. Mitigation actions reduce or eliminate long-term risk and are different from actions taken to prepare for or respond to the event(s).

“Non-potable Water” Water that is not of drinking water quality, but may still be used for many other purposes, depending on its quality.

“Non-renewable Water Supplies” Non-renewable water resources are groundwater bodies (deep aquifers) that are not continually replenished by recharge or recharge rates are negligible resulting in an unsustainable supply.

“Owner” shall mean any Person, firm, corporation, association or agency who holds title to any real property or building served by a Retail District.

“Person” shall mean any individual, firm, company, association, society, corporation, group, government, governmental agency or other legal entity.

“Pollutant” shall mean any dredged spoil, solid waste, incinerator residue, sewage, garbage, sewage sludge munitions, chemical wastes, biological materials, radioactive materials, heat, wrecked or discarded equipment, rock, sand, cellar dirt, and industrial, municipal, and agricultural waste discharged into water.

“Pollution” shall mean the man-made or man-induced alteration of the chemical, physical, biological, or radiological integrity of water.

“Potable Water” shall mean that water furnished by DWSD conforms to requirements of the Safe Drinking Water Act or any other applicable standards.

“Potential Retail Customer” An entity that is seeking Wholesale Water and/or Wastewater services from DWSD. DWSD can only provide service to Retail Districts as defined herein.

“Publicly Owned Treatment Works (POTW)” shall mean a treatment works which is owned by a state or municipality and includes any devices and systems used in the storage, treatment, recycling, and reclamation of municipal sewage or industrial wastes of a liquid nature.

“Pretreatment” shall mean the reduction in the amount of Pollutants, the elimination of Pollutants, or the alteration of the nature of Pollutant properties in Wastewater to a less harmful state prior to or in lieu of discharging or otherwise introducing Pollutants into a POTW.

“Proposed Development” The development that a Potential Retail Customer or Retail District is seeking DWSD wholesale water and/or wastewater service for.

“Rate Study” means a professional study, usually by a municipal advisor, to determine whether existing rates are sufficient to meet all of the Wholesale District/Retail District/ Utility needs or whether the rates need to be increased.

“Renewable Water Supplies” Surface water or alluvial groundwater that are continually replenished by return flows resulting in a sustainable supply.

“Retail District” DWSD can only provide wholesale water and/or wastewater service to a Retail District, defined as a Title 32 Special District, or other governmental entity.

“Retail District Customer Classification” DWSD’s Service Area is divided into sub-classifications as further outlined in Section 5 herein.

“Retail Drought Mitigation and Response Plan” The Drought Mitigation and Response Plan (DMRP) adopted by the Retail District and a condition of wholesale water and/or wastewater services from DWSD.

“Retail Facilities” shall mean the Retail Water Facilities, and/or the Retail Wastewater Facilities operated and maintained by the Retail District that connects with DWSD Wholesale Facilities.

“Retail Services” shall mean the services provided by the Retail District to the End User through the Retail Facilities.

“Retail Wastewater Facilities” shall mean the Retail Wastewater Facilities as defined in the Retail District’s Rules and Regulations.

“Retail Water Facilities” shall mean the Retail Water Facilities as defined in the Retail District’s Rules and Regulations.

“Resolution” A written legal document, issued by the DWSD Board, documenting a binding decision made on behalf of the DWSD Board.

“Response” shall mean actions taken during a Drought and Water Shortage to avoid and reduce impacts while maintaining water supplies for essential health and safety services.

“Rules and Regulations” shall mean the Rules and Regulations adopted by DWSD as of the date of these Rules and Regulation and any subsequent amendments approved thereafter by the DWSD Board from time to time.

“Sanitary Sewer” shall mean a sewer which carries liquid and water-carried wastes from residences or nondomestic sources.

“Service Area” The area as defined in these Rules and Regulations that DWSD may elect to provide wholesale water and/or wastewater services to a Retail District or other governmental entity.

“Sewer Main” shall mean the principal Sanitary Sewer of the Retail District to which service laterals are tributary.

“Sewer System” The infrastructure that conveys sewage or surface runoff (stormwater, meltwater, rainwater) using sewers.

“State law” Includes all laws, decisions, rules, regulations, statutes, or other State action having the effect of law in the State of Colorado.

“Sterling Ranch Community Authority Board (CAB)” the Retail District that provides Retail Water and Wastewater Services to End Users within the community of Sterling Ranch, or those communities that Sterling Ranch CAB elects to incorporate therein.

“Surcharge” shall mean any additional charge or fee imposed by DWSD for the provision of a special service not normally provided by DWSD.

“the Property” Any item that a person or a business has legal title over.

“Treatment Plant” A process, device, or structure used to improve the physical, chemical, or biological quality of the water in a public potable water system or any portion thereof designed to provide treatment of raw or wastewater in a non-potable system.

“Usage Charges” Charges for water of wastewater services that are billed on a per-use basis by wholesale or retail districts.

“Voluntary Disconnect Request” A request in writing by the Retailer Customer to DWSD requesting the disconnection of wholesale water and/or wastewater services.

“Water Demand” shall mean the volume of water requested by Retail Districts connected to DWSD Wholesale Water Facilities.

“Water Main” shall mean the principal pipeline that delivers potable or non-potable water to Retail Districts.

“Water Service Connection” The point(s) of connection at a Master Meter by a Retail District to DWSD wholesale water system.

“Water Service Line” shall mean that portions of the retail distribution water system from the wholesale water connection to the end users.

“Water Shortage” shall mean discrete instances during which demands within DWSD service area exceed available renewable and non-renewable water supplies. Water Shortages may be caused by drought that cannot be made up with non-renewable groundwater supplies; the failure of significant infrastructure, maintenance and operational procedures; or any number of natural or anthropogenic events un-related to drought.

“Water Shortage Surcharge” shall mean, an additional charge added to DWSD’s delivery of water on a temporary short-term basis to ensure DWSD can meet budgetary challenges associated with the increase cost in water during a Drought or Shortage.

“Water Supply” shall mean the volume of renewable and non-renewable water that is legally and physically available to DWSD to provide to Retail Districts.

“Water Supply Agreement” The agreement between DWSD and the Retail District or other governmental entity detailing the contractual agreement to deliver wholesale water services to the Retail District.

“Water Supply Index” is the ratio of Water Supply over Water Demand used herein to inform among other indicators when DWSD, acting through an adopted Resolution by the DWSD Board, issues a drought declaration as further outlined in Section 8 herein.

“Wastewater” shall mean the liquid and water-carried domestic or nondomestic wastes together with Pollutants which may be present, whether treated or untreated that are contributed into or permitted to enter the POTW.

“Wastewater Service Connection” The point(s) of connection at a Meter by a Retail District to DWSD wholesale wastewater system.

“Wastewater Treatment Facility” A treatment facility permitted by CDPHE and designed to remove biological or chemical waste products from water.

“Wholesale Facilities” shall mean the Wholesale Wastewater Facilities and Wholesale Water Facilities.

“Wholesale Services” shall mean the services provided to the Retail District by DWSD by way of its Wholesale Facilities.

“Wholesale Sewer System” Wastewater infrastructure owned, operated and maintained by DWSD to include lift stations, forcemains and wastewater treatment facilities.

“Wholesale Wastewater Facilities” shall mean the infrastructure, equipment and processes owned by DWSD, that are required to collect, carry away and treat domestic and industrial wastes and dispose of the effluent, which includes, but is not limited to, the POTW.

“Wholesale Wastewater Services” shall mean the services provided to the Retail District maintained by DWSD by way of its Wholesale Wastewater Facilities. Which includes transmission, storage, metering, and invoicing of wastewater to Retail Districts.

“Wholesale Water Facilities” shall mean the infrastructure, equipment and processes required to distribute, treat, and deliver potable and/or non-potable water to the Retail Districts.

“Wholesale Water Services” shall mean the services provided to the Retail District by DWSD by way of its Wholesale Water Facilities. Which includes connection, delivery, metering, and invoicing of potable and/or non-potable water to the Retail District use.

Section 3.02 Abbreviations

“**AF/Y**” Acre-Foot per Year

“**BOCC**” Board of County Commissioners

“**CAB**” Community Authority Board

“**CBWRF**” Chatfield Basin Water Reclamation Facility

“**CCR**” Consumer Confidence Report

“**CDPHE**” Colorado Department of Public Health and Environment

“**CDWR**” Colorado Division of Water Resources

“**CWCB**” Colorado Water Conservation Board

“**DMRP**” Drought Mitigation and Response Plan

“**DWSD**” DWSD Water & Sanitation District

“**ERP**” Eastern Regional Pipeline

“**ERT**” Electronic Read-Transmitting Devices

“**ESA**” Extended Service Area

“**FP**” Final Plat

“**HGL**” Hydraulic Grade Line

“**IGA**” Intergovernmental Agreement

“**KPIs**” Key Performance Indicators

“**lf**” Linear Feet

“**MDFP**” Minor Development Final Plat

“**MGD**” Million Gallons per Day

“**Moore WTP**” Larry D. Moore Water Treatment Plant

“**OPC**” Opinion of Probable Costs

“**OSA**” Outside Service Area

“**POTW**” Public-Owned Treatment Works

“**PP**” Preliminary Plan

“**PSA**” Primary Service Area

“**PWS**” Public Water System

“**PWSID**” Public Water System Identification Number

“**SFE**” Single-Family Equivalent

“SMWSA” South Metro Water Supply Authority

“Sterling Ranch CAB” Sterling Ranch Community Authority Board (CAB)

“WISE” Water Infrastructure Supply Efficiency

“WTP” Water Treatment Plant

“WWTP” Wastewater Treatment Plant

Chapter 4. Powers and Authority

Section 4.01 Operation of the Board, Agents and General Manager

DWSD is governed by a five-member board of directors (DWSD Board). The members must be eligible electors of DWSD as defined by State law and are elected to alternating four-year terms of office at successive biennial elections. Vacancies on the DWSD Board may be filled by appointment of the remaining directors, the appointee to serve until the next regular election, at which time the vacancy is filled by election for any remaining unexpired portion of the term. The directors hold regular meetings and special meetings as needed. Each director is entitled to one vote on all questions before the DWSD Board when a quorum is present.

The DWSD Board is responsible for the overall management and administration of the affairs of DWSD. The DWSD Board appoints a General Manager who is an officer of DWSD. The General Manager shall have the authority, duties and responsibilities as conferred and provided in the resolutions of DWSD, and any other actions of the DWSD Board and in accordance with the policies and practices of DWSD. The General Manager from time to time may delegate responsibilities to designated DWSD staff as needed.

Section 4.02 Ownership and Operations of Facilities

Except as otherwise provided in these Rules and Regulations, all existing and future Wholesale Water and/or Wholesale Wastewater facilities connected with and forming an integral part of DWSD's Wholesale System shall become and are the property of DWSD, up to and including the master meter vault where connection to a Retail District is provided. DWSD shall be responsible for maintenance, repair and reconstruction of such property, at its cost, unless DWSD determines that the situation necessitating such repair or reconstruction is the result of a change or enlargement of use, abnormal use, or damage to such facilities by the Retail District, in which case such repair or reconstruction will be done at the expense of the person responsible for such abnormal use or damage. DWSD's ownership shall remain valid regardless of whether such property is constructed, financed, or paid for by other Persons or otherwise acquired by DWSD. No other Person, except those authorized by DWSD, shall have any right to enter upon, inspect, operate, adjust, change, alter, move, or relocate any portion of DWSD's facilities.

Section 4.03 Retail District Responsibilities

That portion of the Water Service extending from the Master Meter vault and including the distribution system and appurtenances shall be the responsibility and property of the Retail District. Retail Water service lines and sewer service lines, including collection systems and appurtenances, are the property and maintenance responsibility of the Retail District. Leaks, stoppages or breaks in Service Lines shall be repaired by the Retail District expediently, at a minimum within 48 hours, after discovery or notification of such condition. If satisfactory progress towards repairing the said leak, stoppage or break has not been accomplished within such time period, DWSD shall shut off the water service until the leaks, stoppage or breaks have been repaired. DWSD reserves the right to make the repair at the expense of the Retail District when, in the opinion of DWSD, such repair is necessary to protect the health, safety, and welfare of the DWSD Retail Districts. Said ownership shall remain valid whether the Service Lines are constructed, financed, paid for, or otherwise acquired by DWSD or by other Persons.

Section 4.04 Regulations or Requirements of Other Governmental Entities

Due to DWSD's Intergovernmental Agreements (IGAs) with several entities in regards to water supplies as well as wastewater treatment, there are contractual requirements that flow down to Retail Districts. Retail Districts are strongly encouraged to review the IGAs to ensure understanding of and compliance with all applicable terms and conditions. The entities with which DWSD has IGAs are:

- **Aurora Water**
- **Castle Rock Water**
- **Centennial Water & Sanitation District**
- **Chatfield Watershed Authority**
- **City of Littleton**
- **Douglas County**
- **Roxborough Water & Sanitation District**
- **South Metro WISE Authority**
- **South Platte Renew³**

This list will be updated periodically as needed. It is the sole responsibility of the Retail District to ensure compliance with applicable contractual requirements. Retail Districts are strongly encouraged to review the flow down provisions to determine what impacts if any will be borne by the Retail District.

In addition to the above entities with IGAs, DWSD continues to support existing Retail Districts whose primary drinking water supply and reliance is on non-renewable water supplies. DWSD further continues to advance this commitment in collaboration with those existing Retail Districts, Castle Rock Water, and Douglas County. DWSD considers those commitments precedent to any commitment to a new Retail District.

Retail Districts may be subject to other regulations by the following government entities:

- Colorado Department of Public Health and Environment (CDPHE):
- Colorado Division of Water Resources (CDWR)
- Douglas County
- State of Colorado

Compliance with this list is not intended to be all inclusive. It is the responsibility of the Retail District to determine what other governmental entities' regulations may apply to them.

³ Pretreatment requirements are currently held by South Platte Renew, as all Wholesale Wastewater is treated at its facility. Compliance with South Platte Renew's pretreatment program shall be borne by the Retail District. A copy of the pretreatment program is provided in Appendix D.

Section 4.05 Liability of DWSD

DWSD is subject to and avails itself of the provisions and protections contained within the Colorado Governmental Immunity Act, Sec. 24-10-101, *et seq.*, which provisions cannot be waived in whole or in part without the express written approval of the DWSD Board.

Section 4.06 Officials Not Liable

Any DWSD director, official or employee, charged with the enforcement of these Rules and Regulations, acting in good faith and not in a willful and wanton manner on behalf of DWSD in the discharge of his or her official duties, shall not thereby render himself or herself personally liable for any damages which may accrue to persons or property resulting from any such act or omission committed in the discharge of said duties. Any suit or proceeding instituted against such director, official or employee, stemming from any act or omission performed by him or her in the enforcement or attempted enforcement of any provision of these Rules and Regulations, shall be defended, and said officials shall be indemnified, and held harmless by DWSD until final resolution or termination of the proceedings. This section shall be construed in such a manner as to be consistent with DWSD's resolution indemnifying such directors, officials, and employees.

Section 4.07 Not Liable for Work of Others

DWSD does not assume any liability for any work performed by others. No claim shall be made against DWSD or any of its directors, officers, or employees on account of acts or failure to act by DWSD's contractors, permittees, or licensees.

Section 4.08 Not Liable for Water Quality Beyond Connection Point

DWSD does not assume any liability for water quality beyond the point of connection to DWSD's wholesale facilities. All water being delivered to DWSD's Retail District(s) is part of a Consecutive System as defined by CDPHE and meets all applicable drinking water standards. Consumer Confidence Reports (CCR) for the consecutive system are available on DWSD's website.

Section 4.09 Protection of Health, Safety and Welfare

Nothing set forth in this Chapter 4 shall be deemed to limit the authority of the General Manager to take any measure necessary to protect the health, safety and welfare of the existing Retail Districts, the public or DWSD property from damage.

Chapter 5. Financial Obligations

Section 5.01 Classes of Service

Any Retail District provided water or wastewater services by DWSD shall be assigned a Class of Service based on the qualifying characteristics in this Section. DWSD may establish rates, charges, and fees unique to each Class of Service, as further set forth in Section 5.03.

(a) Service Area Classification

DWSD's Service Area is divided into the following sub-classifications, Retail District Customer Classification, for the purposes of defining the Class of Service:

- Primary Service Area – The Primary Service Area (PSA) includes the Sterling Ranch CAB, who DWSD is contractually obligated to provide service to⁴, and those Existing Retail Districts, whose primary source of water supply is non-renewable water supplies. Service to any Retail District outside of the contractual obligation to Sterling Ranch CAB shall only occur if DWSD determines, in its sole discretion, that said service can be provided without injury to its contractual obligation.
- Extended Service Area – Retail Districts not located in the PSA but still within DWSD's Service Area shall be classified within the Extended Service Area (ESA). DWSD is not obligated to provide services within the ESA but may elect to do so, in its sole discretion, if DWSD determines that there is sufficient existing water supplies for the ESA, or the Retail District within the ESA provides renewable water supplies or provides cash-in-lieu to allow for DWSD to acquire additional water supplies, and the Retail Districts complies with all other provisions provided for in these Rules and Regulations. There is no guarantee that DWSD can secure additional water supplies for the Retail District within the ESA. Additional minimum criteria for service is defined in these Rules and Regulations.
- Outside Service Area – Customers located outside DWSD's Service Area are considered Outside Service Area (OSA) customers. DWSD is not obligated to provide services to customers in the OSA but may elect to do so, in its sole discretion, if DWSD determines that there are sufficient existing water supplies for the OSA, or the Retail District within the OSA provides renewable water supplies or provides cash-in-lieu to allow for DWSD to acquire additional water supplies and the Retail Districts complies with all other provisions provided for in these Rules and Regulations. There is no guarantee that DWSD can secure additional water supplies for the Retail District within the OSA. The terms of such service shall be negotiated by a separate IGA. In no case shall the terms of said IGA be more favorable than those applicable to PSA or ESA customers. Additional requirements provided herein apply to all Retail Districts, unless in the sole discretion of the DWSD Board, such requirements are deemed not applicable.

⁴ Water & Wastewater Service Agreement for Sterling Ranch dated January 6, 2014, and as amended from time to time.

(b) Customer Classifications

DWSD provides wholesale services exclusively to Retail Districts who have established a Section 32 Special District, or other governmental entities in the PSA, ESA, and OSA. Retail Service Districts own the local water distribution and wastewater collection systems and resell the wholesale services of DWSD to individual customers within those local systems. DWSD is only able to connect to Retail Districts or other governmental entities and will not provide service to individual end users (homes). In addition, any new Retail District shall be required to utilize adjacent, existing distribution and conveyance infrastructure to minimize the number of independent connections to DWSD's wholesale infrastructure, thereby optimizing operations for all Retail Districts. New Retail Districts or individual End Users are responsible for coordinating with the existing adjacent Retail District and will be subject to any additional connection and/or conveyance fees required by the existing Retail District, which will include, at a minimum, their pro-rata share of required capacity and investment in adjoining infrastructure.

(c) Wholesale Service

Wholesale Service is provided by DWSD to Retail Districts who own and operate local water distribution and /or wastewater collection systems and provide billing and other customer services to individual service addresses. DWSD's Wholesale Services are as described below:

- Wholesale Water Service. Subject to the Conditions of Service, DWSD may provide raw, recycled, or treated water transported to one or more points of connection to the customer's Retail Water distribution system. DWSD shall have no responsibility for regulatory compliance of any nature beyond said points of connection and will provide the customer with one invoice for services.
- Wholesale Wastewater Service. Subject to the Conditions of Service, DWSD will accept wastewater delivered to DWSD's wholesale wastewater infrastructure at one or more points of connection within the Retail District's wastewater collection system. DWSD will take possession of the influent at the points of connection. All rights to return flows will be owned by DWSD and are a condition precedent to connecting to and DWSD acceptance of wastewater from any Retail District. DWSD may elect to sell and/or transfer ownership of said return flows subject to DWSD Board approval.

Section 5.02 Retail Service

The DWSD Board may elect to provide retail operation and maintenance services to customers in the PSA and ESA. Retail service may include operating and maintaining the local water distribution, wastewater collection, and treatment systems necessary to provide services to individual service addresses. DWSD reserves the right to define operational requirements and terms of service contracts.

Section 5.03 Rates & Connection Fees

DWSD may impose rates, charges, and fees as determined by the DWSD Board pursuant to its authorities under CRS 32-1-1001, or otherwise allowed by law. The prevailing schedule of rates and charges may be amended from time to time at the discretion of the DWSD Board by resolution and published in Appendix C upon adoption.

(a) Connection Fees

All new connections within the PSA, ESA, or OSA must pay the applicable Connection Fee as a condition of receiving service from DWSD. To the greatest extent possible, the Connection Fees will reflect a cost per unit of capacity and shall be assessed to applicants equally, based on the amount of capacity DWSD determines is necessary to serve the applicant. No water and/or wastewater service shall be provided to any Retail District unless and until the Connection Fees and all other applicable fees have been satisfied. The total Connection Fee for a given applicant may include the following, which may vary among the PSA, ESA, and OSA, based on DWSD's costs to provide the necessary resources and infrastructure:

- Water Resource Fee -- The Water Resource Fee applies to customers within the ESA and OSA to reimburse DWSD for the cost of acquiring all water rights owned by DWSD, to include overhead at fifteen percent (15%) and interest.
- Cash-in-Lieu of Water Dedications -- Customers in the ESA or OSA are required to dedicate sufficient renewable water rights to DWSD to meet the 100-year water supply requirements for the property applying for the connection. As stated throughout these Rules and Regulations, DWSD is committed to the development of renewable sources; therefore, a portion of all dedicated water must be renewable. DWSD, in its sole discretion, will determine the adequacy of the water rights to be provided to determine sufficiency of supply to meet DWSD's renewable goal. DWSD may accept payments in lieu of said water dedications in an amount determined by the DWSD Board at the time of the application sufficient to reimburse DWSD for the cost of acquiring suitable supplies. DWSD does not guarantee that such water rights can be secured and as such may have to renegotiate and/or cancel any agreement with potential Retail Customers or Retail Districts within the ESA or OSA due to a change in circumstances.
- Water Treatment Investment Fee -- All Retail Districts are subject to the Water Treatment Investment Fee to defray the costs incurred by DWSD in designing, constructing, and procuring the water treatment, transmission, pumping, storage capacities, and related infrastructure.
- Wastewater Treatment Investment Fee -- All Retail Districts are subject to the Wastewater Treatment Investment Fee to defray the costs incurred by DWSD in designing, constructing, and procuring wastewater treatment facilities, mains and interceptors, lift stations, and related infrastructure.
- Cash-in-Lieu of Infrastructure Dedications -- All Retail Districts in the ESA and OSA are required to dedicate the infrastructure necessary for connecting the Applicant's property to DWSD's systems. DWSD may accept cash-in-lieu of said dedications in an amount determined by the DWSD Board to be sufficient to reimburse DWSD for all costs to construct the infrastructure.

(b) Monthly Charges

DWSD will establish monthly charges for use of DWSD's services. Monthly Charges will include two components: a Fixed Service Fee, and Usage Charges.

- Fixed Service Fees -- The DWSD Board may establish a Fixed Service Fee to cover all or a portion of DWSD's annual revenue requirements. The Fixed Service Fees may include one or more of: a fee per customer, a fee per dwelling unit, or a fee based on the customer's meter size. The fees will apply each month per the schedule adopted by the DWSD Board as a Resolution, regardless of actual water and/or wastewater usage.
- Usage Charges -- The DWSD Board may establish usage charges to cover all or a portion of DWSD's annual revenue requirements. Usage Charges may include the following:
 - i. Water Volume Charges – rates charged per unit of volume consumed. Water volume charges will be tiered to encourage and incentivize responsible water usage. DWSD reserves the right to reduce water deliveries to all customers as described in Chapter 8, 9 and Appendices F and G, said curtailment may vary dependent upon the Retail District Customer Classification and water savings target assigned by Dominion to each Retail District
 - ii. Water Capacity Charges – rates charged based on peak water demand.
 - iii. Wastewater Flow Charges – rates charged per unit of estimated wastewater flow.
 - iv. Wastewater Strength Charges – rates charged on the basis of the concentration of wastewater pollutants in a customer's wastewater flows.

(c) Routine Update of Rates and Fees.

No less frequently than once every five years, DWSD shall enter into a professional services agreement with a qualified private firm to perform a Rate Study for the purposes of recommending updates to the Connection Fees and Monthly Charges.

Section 5.04 Water & Sewer Construction Costs

DWSD has invested significantly in regional infrastructure for Northwest Douglas County. A portion of that investment is based on capacity needs and to include timing of demands, will be borne by Retail Districts. In addition, all costs of new construction to tie into existing wholesale water and/or wastewater infrastructure owned by DWSD, including, but not limited to, all associated planning, engineering, administration, permitting, and attorney's fees, shall be paid by the Retail District. If the Retail District, due to demands, to include timing of those demands, should require that existing regional infrastructure owned by DWSD be reconstructed or enlarged, those costs, to include all associated planning, engineering, administration, permitting, and attorney's fees, shall be paid by the Retail District. The provisions of this section apply regardless of whether DWSD or some other Person contracts for, or initially pays for, said construction, reconstruction or enlargement, or such service is requested by the Retail District, or compelled by DWSD. DWSD's Board may choose to act other than as required in this section, when it determines, in its sole discretion, that such action is necessary to provide for the health, safety and welfare of the Retail Districts of DWSD.

Section 5.05 Payment Responsibility

Any new Retail District shall pay, based on capacity requirements, for the use of all existing, and future improvements, facilities, water, and/or wastewater systems, to include the infrastructure needed to connect said Retail District to DWSD's wholesale water and/or wastewater system. If, in the sole discretion of DWSD, it is determined that there are not sufficient existing water rights or water facilities to adequately serve the new Retail District, said Retail District must provide sufficient renewable water rights and water facilities adequate to serve the anticipated development of the property or provide cash-in-lieu funds to purchase or compensate for such rights. All water and/or wastewater facilities to be constructed by DWSD in order to serve the property must be financed solely by the new Retail District. The new Retail District shall provide payment of connection fees and any other necessary charges associated with the use of existing regional infrastructure owned by DWSD and as described in these Rules and Regulations.

DWSD will not require its existing Retail Districts located within the PSA to subsidize the development of any new or existing Retail District located within the ESA or OSA.

Section 5.06 Applicable Charges

All Retail Districts served by DWSD, regardless of location in the PSA, ESA or OSA, are required to pay all charges and fees established by the DWSD Board and set forth by Resolution (see Appendix C).

(a) Additional Charges.

The DWSD Board may assess charges and fees in addition to those in Appendix C to defray costs not already recovered through the Rates and Connection Fees described in Section 5.03. Said charges may include a Water Shortage Surcharge as determined by the DWSD Board at adoption of a Resolution issuing Drought notification and appropriate Stage of Drought as further described in Section 8.

(b) Billing and Payment.

DWSD shall present invoices on a monthly basis for all Retail Districts. Payments are due upon receipt. DWSD may commence collection actions on any customer account 30 days or more past due.

(c) Enforcement.

DWSD shall use all means available to it by law to collect past-due charges owed by customers up to and including disconnection of services.

Chapter 6. Conditions of Service

Section 6.01 Service Area

DWSD's legal boundaries, filed with Douglas County and the State of Colorado, describe its Service Area, and is included in the BOCC adopted DWSD Service Plan, see Appendix A. There are three sub-classifications within the District's Service Area, as described below and as shown on the below figure.

1. Primary Service Area (PSA). The PSA includes Sterling Ranch CAB and those existing Retail Districts whose primary source of water supply is non-renewable.
2. Extended Service Area (ESA). Customers not located in the PSA but still within the DWSD's Service Area shall be classified within the ESA.
3. Outside Service Area (OSA). Customers located outside the DWSD's Service Area are considered OSA customers.

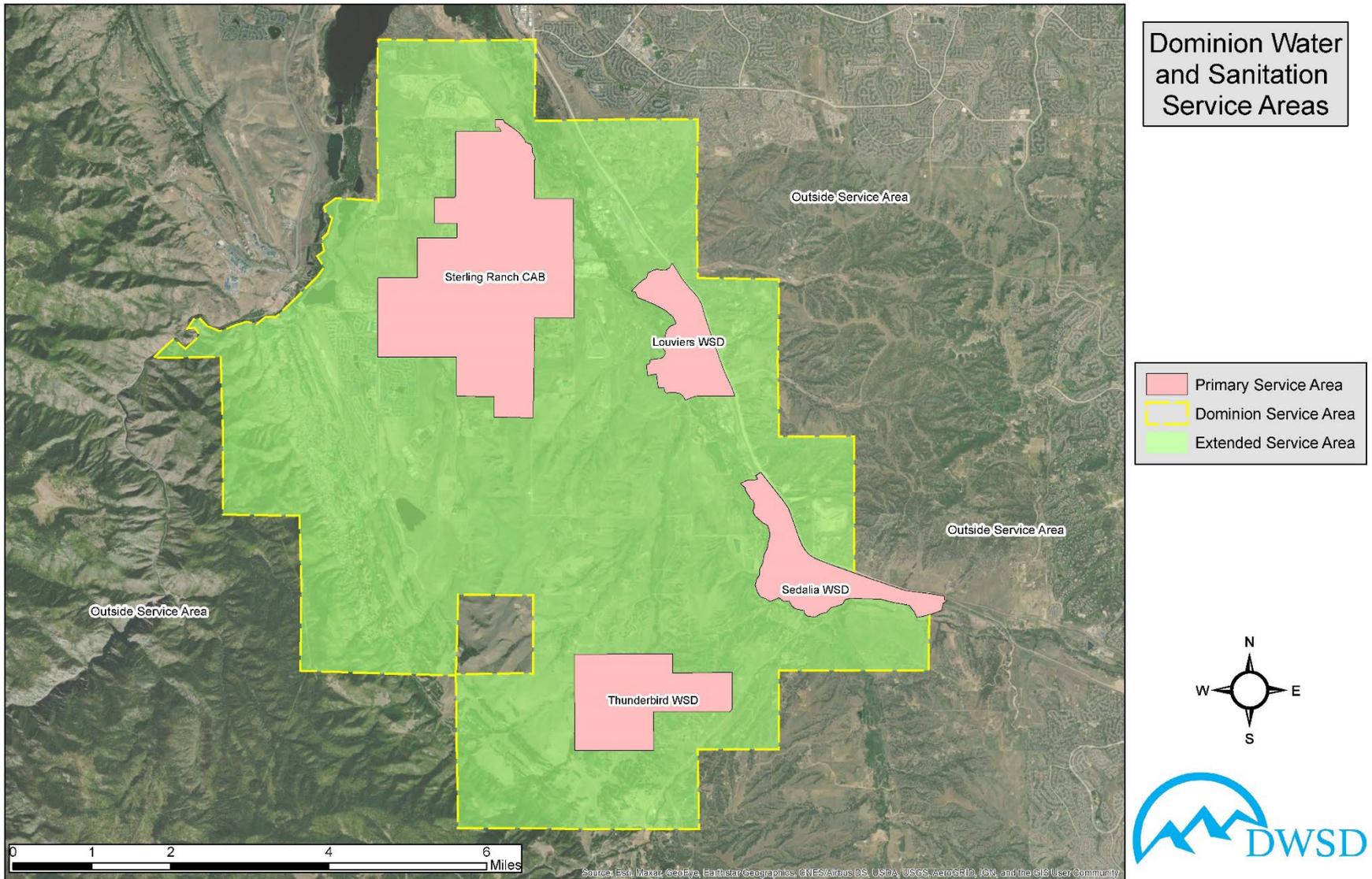


Figure 3 – DWSD Service Area and Sub-Classifications

Section 6.02 Good Faith Standard

All parties, including DWSD and any Retail District, shall act in good faith through the process of consideration of service. For purposes of these Rules and Regulations, the Good Faith Standard shall include both parties being: 1) sincere in one's business dealings, and 2) without a desire to defraud, deceive, take undue advantage, or in any way act maliciously towards others. Should DWSD determine that the Potential Retail Customer or Retail District is not acting in good faith as described herein, the Potential Retail Customer or Retail District shall forfeit all due diligence fees associated with the consideration of service, and negotiations for consideration of service shall be terminated. Such negotiations may be reengaged in the sole discretion of the DWSD Board.

Section 6.03 Requirements for Service

DWSD was founded as an overlay district for the purpose of providing wholesale water and wastewater services to Sterling Ranch CAB and those existing Retail Districts, within the DWSD service area, that are reliant on declining, non-renewable groundwater supplies. DWSD does not have the authority to collect funds through mill levies or other mechanisms. Therefore, service to new Retail Districts is not mandatory within the DWSD service area, nor is a new Retail District required to seek and receive service from DWSD. Should a new Retail District seek wholesale water and/or wastewater service from DWSD, the following minimum criterion shall be met.

- Determination of availability and adequacy of water supplies -- DWSD, in its sole discretion, will review the request for service. This request for service shall include an engineer's report on the amount of water supply that the potential Retail Customer or Retail District requires to meet demands based on required water demand standards⁵. DWSD shall review this request in relation to its existing water supply portfolio to determine if there are sufficient water supplies available, without injury to DWSD's existing Retail Districts, for the potential Retail Customer or Retail District. Should DWSD determine that there are not sufficient existing water supplies available, the new Potential Retail Customer or Retail District will be required to either bring sufficient renewable water supplies or provide cash-in-lieu payment to DWSD to develop additional renewable water supplies. The adequacy of said supplies will be determined in the sole discretion of DWSD.
- Dedication of water rights – DWSD requires that all Potential Retail Customers or Retail Districts irrevocably dedicate all groundwater underlying their property, subject to and requesting service from DWSD, regardless of decree and/or availability to DWSD. Such irrevocable dedication shall be for no consideration as said groundwater supplies are a firming water supply source for that Potential Retail Customer or Retail District and may be used by DWSD as part of its conjunctive system and/or preservation of the aquifer. Also, all rights to store water in the aquifer underlying the parcel being included or for

⁵ Current water demand standards for DWSD are dictated by Douglas County as part of the regulatory requirements of 18A. This current demand standard requires 0.75 AF of water be provided per Single Family Equivalent (SFE).

which service is requested shall be irrevocable dedicated and conveyed to DWSD. Should the Potential Retail Customer or Retail District provide to DWSD renewable water supplies, those renewable supplies shall be quantified for estimated change of use and dependable yield in an engineering report and irrevocable dedicated to DWSD. All water rights dedicated to DWSD shall become part of DWSD's conjunctive water supply portfolio. Dedication of water rights shall be by special warranty deeds and such consent forms as may be required by the State Engineer. Dedication of easements shall be on such form as DWSD shall approve. All dedications shall be free and clear of any encumbrances, reservations or restrictions. No claim or reservation shall be made by any owner of property to be included or by any applicant for water service for any reason for any portion of such water rights or return flow rights for/from any water rights or augmentation plans conveyed to DWSD. All rights to return flow from all water furnished by the DWSD for use by its Retail Districts shall belong to DWSD and shall be deemed to be continuously owned by and subject to dominion and control by DWSD.

- Adoption of a demand management and/or conservation plan – DWSD is committed to wise and efficient use of water supplies. DWSD's existing Retail District, Sterling Ranch CAB, has adopted an effective demand management plan that is proven to reduce the amount of water used by its customers. All Retail Districts are required to adopt a DWSD approved Water Conservation Plan and Retail DMRP that minimizes water usage and loss, provides for long-term sustainable water usage, and is responsive to a DWSD Drought declaration.
- Payment of appropriate fees – Any Potential Retail Customer or Retail District is required to pay the appropriate fees as provided in Section 6.06.
- Proof of status of the Retail District – As stated throughout these Rules and Regulations, DWSD can only provide wholesale water and wastewater service to a Retail District, defined as a Title 32 Special District, or other governmental entity. As such, any agreement entered into must be with a Retail District or established governmental entity. Any Retail District must be recognized by the State of Colorado as a Title 32 Special District.
- Proof of Public Water System status - If DWSD is providing wholesale water service, the Retail District must provide their CDPHE Public Water System (PWS) Identification (ID).
- Financial Guarantee for new Retail District located in ESA or OSA – DWSD may require a new Retail District located within the ESA or OSA to provide a Financial Guarantee in the form of a letter of credit or a cash deposit or similar financial instrument equal to the connection fee and for operation and maintenance fees, as provided by DWSD, or such lesser percentage as DWSD may determine is appropriate. The determination of whether a Financial Guarantee will be required shall be made in DWSD's sole discretion, based on the determination as to the reasonable potential that DWSD will be financially impacted and/or may be at risk to suffer loss or damage that may directly or indirectly occur as a result of the proposed development not being

approved by Douglas County, or the risk of the financial viability of the development and the ability to use all of the water committed to that development and Retail District that materially impacts DWSD's existing Retail Districts.

Section 6.04 Fees Required as Part of Application of Service

To defray costs associated with DWSD review of providing potential service to any Potential Retail Customer or Retail District, the following fees will be required as part of the consideration of service process.

(a) Zoning or Rezoning

For DWSD to adequately determine if a conditional will serve can be provided DWSD shall assess the Retail District a due diligence fee at the time of the pre-application meeting. This due diligence fee will cover, at a minimum, costs associated with 1) water rights review, 2) review and analysis of demand requirements of the Potential Retail Customer or Retail District, 3) condition of existing infrastructure, if any, 3) hydraulic modeling, and 4) preliminary design and development of opinion of probable cost (OPC) of a potential connection for the Potential Retail Customer or Retail District. The Due Diligence Fee will vary by application, depending on the complexity of the analysis. DWSD will provide an estimate of the Due Diligence Fee ten (10) days after the pre-application meeting. Payment shall be made in full prior to DWSD completing any analysis. As the analysis is completed DWSD will draw from the Due Diligence Fee until either 1) the analysis has been completed or 2) funds are exhausted, at which time additional monies will be requested by DWSD to complete the analysis. Fees shall include any legal, engineering or other costs. Due Diligence Fees are non-refundable.

(b) Preliminary Plan (PP) or Minor Development Final Plat (MDFP)

Should DWSD determine through the due diligence process that wholesale water and/or wastewater service can be provided to the Potential Retail Customer or Retail District, the Potential Retail Customer or Retail District may be required to pay a Reservation Fee towards the connection. The Reservation Fee will vary by Potential Retail Customer or Retail District, depending on the amount of water to be provided to the Potential Retail Customer or Retail District, the anticipated connection fee, and connection infrastructure costs. Applicable reservation fees shall be determined in the sole discretion of DWSD. The Reservation Fee shall secure water supply and connection to DWSD for a period of up to 1 year and will be applied to the final Connection Fee for the Potential Retail Customer or Retail District. Should the Potential Retail Customer or Retail District elect to or not secure necessary County approvals to proceed with the development, a portion or all of the Reservation Fee may be forfeited to DWSD.

(c) Final Plat (FP)

Should DWSD determine that water and/or wastewater wholesale service can be provided to the Retail District, as defined in these Rules and Regulations, the Retail District shall pay in full the Connection Fee as detailed in Section 5.03(a), within thirty (30) days after FP approval.

Section 6.05 No Guarantee of Water

Payment of the fees provided in Section 6.04 does not guarantee that DWSD will have water available for Potential Retail Customers or Retail Districts outside of the PSA. DWSD will work

diligently with Potential Retail Customers or Retail Districts acting in Good Faith to secure necessary water supplies, however, renewable water supplies may not be physically or legally available for Potential Retail Customers or Retail Districts in the ESA or OSA.

Section 6.06 Water Rights Dedication; Allowable Water Rights, Amounts, and Criteria
[Placeholder for specifics on water rights dedication process, allowable water rights, amounts, and criteria for dedicating supplies to include cash-in-lieu transactions.]

Section 6.07 Rejection of Water Right

The DWSD Board shall have the exclusive right to determine whether DWSD can accept the water rights a Potential Retail Customer or Retail District proposes to dedicate to DWSD. DWSD shall consider all information relevant to the water rights proposed to be dedicated to DWSD, including the lawful historical use, priority, source, type and/or legal status of any water right. DWSD may also consider whether acceptance will best serve the health, safety, welfare and/or financial status of DWSD and its existing Retail Districts. If DWSD rejects a water right, it may, in its sole discretion, accept cash-in-lieu of a water dedication.

Section 6.08 Required Douglas County Documentation for Service

To ensure that development in all areas of Douglas County provides for a water supply that is sufficient in terms of quantity, quality, and dependability [per §30-28-133 (3)(d), C.R.S.], documentation is required for water and wastewater service for any new development within the boundaries of Douglas County that is consistent with Douglas County Zoning Resolution(s).

Section 6.09 DWSD Provided Documentation for Service

For those new Potential Retail Customers or Retail Districts who meet all of the criterion herein, determined in the sole discretion of DWSD, and have paid all necessary and associated fees based on Customer Classification and other fees as provided for in these Rules and Regulations, DWSD shall provide the following.

- Zoning or Rezoning – A Conditional Letter of Service affirming that Wholesale Water and/or Wastewater Service may be available to the Retail District as conditioned. Such conditions will vary by Potential Retail Customer or Retail District and depend on the unique circumstances of that Potential Retail Customer or Retail District and the services to be provided. Said Conditional Letter of Service can only be provided by the General Manager, subsequent to direction and approval by the DWSD Board.
- PP or MDFP -- A Conditional Letter of Service reaffirming that Wholesale Water and/or Wastewater Service may be available to the Retail District as conditioned. Such conditions will vary by Potential Retail Customer or Retail District and depend on the unique circumstances of that Potential Retail Customer or Retail District and the services to be provided. Such Conditional Letter of Service can only be provided by the General Manager subsequent to direction and approval by the DWSD Board.

- Final Plat – A Letter of Service and Fully Executed IGA with the Retail District⁶ will be provided by DWSD, in the sole discretion of DWSD, if said Retail District has met all of the conditions provided for and established by the DWSD Board, and all provisions as outlined in these Rules and Regulations. Such Letter of Service can only be provided by the General Manager subsequent to direction and approval by the DWSD Board. A fully executed IGA can only be entered into on approval and authorization of signatures by the DWSD Board. In addition, DWSD can only enter into an IGA with a Retail District, as defined by Title 32 Special District, or other governmental entity. Any IGA with an entity that does not meet this criterion is null and void.

Section 6.10 Application for Service

DWSD desires that the request for service and review of the potential ability to provide service be collaborative and proceed in Good Faith as defined herein. **DWSD will strive to meet the Potential Retail Customers or Retail Districts schedule but there is no guarantee of timely review.** As such, DWSD has outlined the following steps to be completed by the applicant prior to any land use or zoning application be filed with Douglas County. Under no circumstances should the applicant purport to Douglas County or other entities, to include the Colorado Division of Water Resources (CDWR), the availability of water service from DWSD without the fully authorized approval by the General Manager and the DWSD Board. Such action could result in DWSD ceasing discussions with the Potential Retail Customer or Retail District and denying service to said Potential Retail Customer or Retail District for the current and future applications.

(a) Application Process

The application process shown in the figure below for any Potential Retail Customer or Retail District within the ESA and OSA shall consist of the following:

1. Pre-submittal meeting – All Potential Retail Customers or Retail Districts shall attend a pre-submittal meeting with DWSD staff to discuss, at a minimum:
 - a. The location and extent of the proposed or existing development. That sets forth how the entire property is to be developed. The development plan shall specify the use of all land in the property.
 - b. Projected or existing water demands, and wastewater conveyance needs. Irrigation demands must be included in the estimates.
 - c. The timing of the development to include timing of approvals by Douglas County, as applicable. DWSD will strive to meet the Potential Retail Customers or Retail Districts schedule but there is no guarantee of timely review.
 - d. Estimated timing of the connection.

⁶ DWSD can only provide Wholesale Water and/or Wastewater services to a Retail District. DWSD will not enter into an IGA with a Potential Retail Customer as defined herein.

- e. Availability of water supplies and/or wastewater conveyance capacity.
2. Pre-application meeting – All Potential Retail Customers or Retail Districts shall diligently work through any conditions provided by DWSD as part of the pre-submittal meeting or subsequent discussions. A checklist of those conditions identified in the pre-submittal meeting will be provided by DWSD to support the pre-application process. As part of the pre-application meeting the Potential Retail Customer or Retail District shall demonstrate, at a minimum:
- a. That the Potential Retail Customer is in the process of forming a Special District 32 or has entered into discussion with an existing Special District 32 Retail District or governmental entity that will be serving as the Retail District for the development.
 - b. Confirmation of water demands, and wastewater conveyance needs, to include irrigation demands.
 - c. Update on the timing of the development, to include approvals by Douglas County, as applicable. DWSD will strive to meet the Retail Customers schedule but there is no guarantee of timely review.
 - d. Additional information on water rights to be conveyed as a condition precedent to service from DWSD.

A pre-application meeting is required prior to completing a Service Application.

3. Service Application -- A written application for service shall be filed with DWSD which shall provide the following information, at a minimum and as applicable to the specific Potential Retail Customer or Retail District (herein after referred to as “Applicant”):
- a. Legal description of the real property for which service is requested (the “Property”).
 - b. The formation of Special District 32 or fully executed IGA with existing Special District 32 or governmental entity that will be serving as the Retail District for the development.
 - c. Names of the Board of Directors and authorized agents of the Applicant.
 - d. The Retail District’s service plan as approved by either the county or municipality within which the Property is located, including a map of the service area.
 - e. Proposed and existing development plans for the Property, including existing and proposed land use, estimated number and timing of units (single family equivalents), and estimated water demand, to include fire flows, and/or wastewater flow in two-year increments. DWSD reserves the right to review requested water demand and wastewater flow and work with the Applicant to determine how those demands can be met.
 - f. A description of the Property, and proposed location of the master meter connection and the approximate timeline for making the connection.

- g. Adoption of an approved Retail Drought Mitigation and Response Plan (DMRP) and Retail Water Conservation Plan by DWSD.
 - h. Information on owned water rights to include engineering reports detailing the status of and availability of said water, any water decrees or water court proceedings detailing the quantity, and consumptive use analysis.
 - i. CDPHE PWSID, if Wholesale Water Service is being provided.
 - j. Payment of all required fees (Section 6.04).
 - k. Any additional information as requested by DWSD.
4. Review of Application – DWSD will review the information provided by the Potential Retail Customer or Retail District requesting service. The duration of the review process will vary by application depending upon the complexity of the application. DWSD will diligently and expeditiously work through each application on a first-come, first-served basis. The Potential Retail Customer or Retail District is encouraged to work collaboratively with DWSD to ensure that the timing of DWSD’s review correlates with the requirements of Douglas County and the desires of the development. **There is no guarantee that DWSD can complete its review prior to any requirements of Douglas County or the desires of the Proposed Retail Customer or Retail District.** DWSD application review will be completed within 90 days from the date of the service application.
5. Application Refinements – DWSD reserves the right to request application refinements for resubmittal to resolve any incomplete information.
6. Approval of Application – The General Manager of DWSD, subsequent to review, authorization, and approval of the DWSD Board, may provide formal approval of the Application in writing to the Applicant.
7. Denial of Application – DWSD reserves the right to deny the application of any Potential Retail Customer or Retail District as defined in these Rules and Regulations. Such denial shall be provided by the General Manager, as designated and approved by the DWSD Board, to the Applicant in writing. Reasons for denial include, but are not limited to:
- a. Misrepresentation in the application of how the property is to be developed and the amount of fixtures included, or the use to made of the service being provided by DWSD.
 - b. The service applied for would create an excessive seasonal, or other demand on the wholesale facilities or water rights of DWSD.
 - c. The Applicant has failed to dedicate sufficient water or water rights or pay the applicable cash-in-lieu to DWSD to support the requested service.
 - d. The connection would constitute a cross-connection to an unsafe water supply.
 - e. When service would be infeasible.

- f. The Applicant is either unable or unwilling to pay the fees then required by DWSD.
- g. Any other reason which the DWSD Board determines would adversely affect the health, safety, welfare or economic status of DWSD and/or its existing Retail Districts.

Refer to Section 10.02 regarding the appeal process.

Dominion Water & Sanitation District
 Water and/or Wastewater
 Service Application Process for ESA and OSA Retail Customers

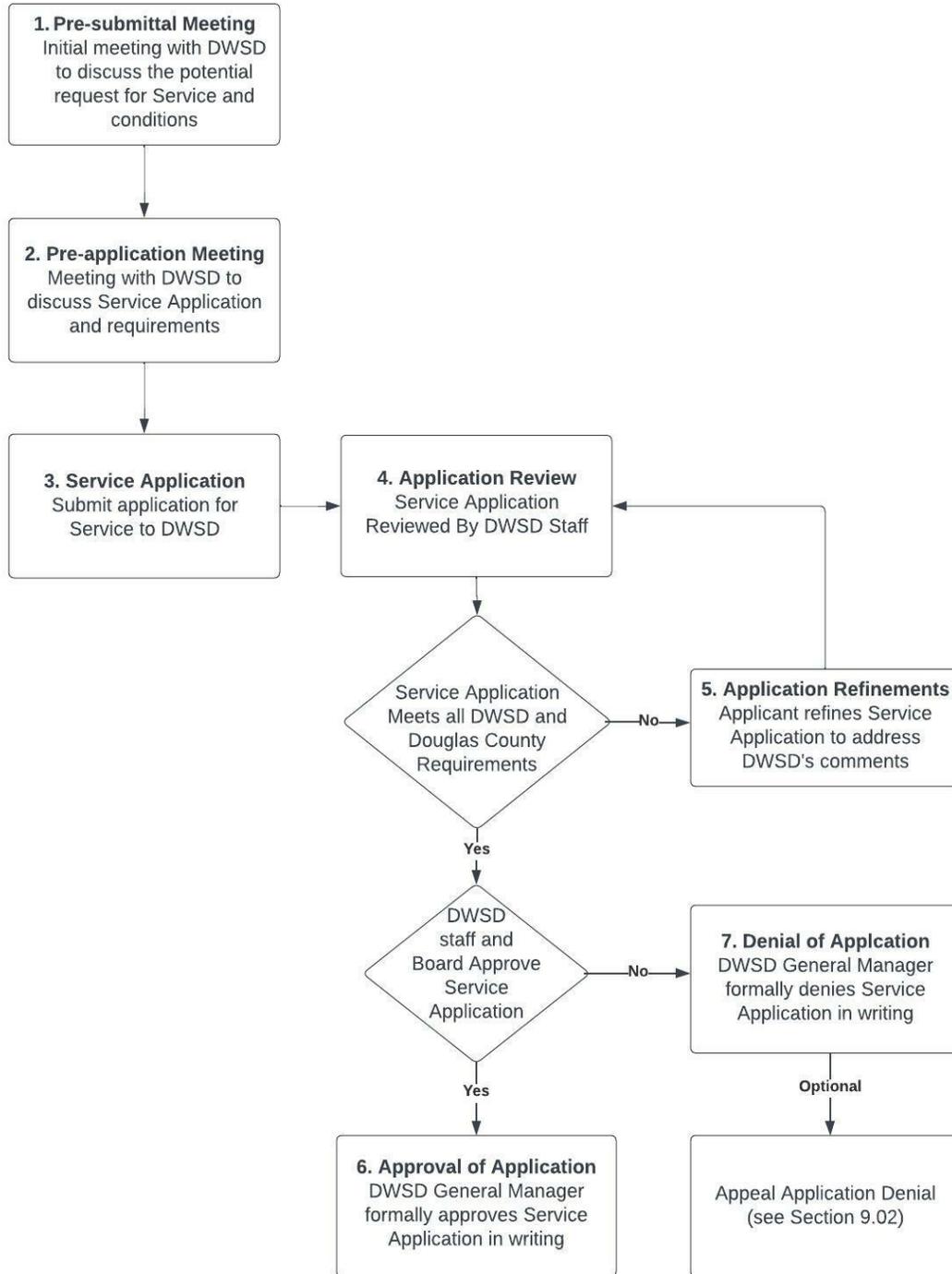


Figure 4 - DWSD Water and/or Wastewater Service Application Process

(b) Sufficient Water Rights & Facilities Required

DWSD shall, from time to time, determine the amount of available water supply for use and shall determine the expected demands for said water by all Retail Districts for any given period of time. In the event DWSD determines that there are insufficient water supplies to meet all of the present and anticipated needs, DWSD may require mandatory water savings for each individual Retail Districts and/or implement curtailments or prohibitions upon the use of water, see Chapters 8 and 9 for additional information. Any Person, Retail District or End User violating any provision of this section shall be subject to the penalties as specified in these Rules and Regulations.

(c) Master Meter Connection

All connections to DWSD wholesale water system shall include a Master Meter. Connection to DWSD wholesale wastewater system shall include a meter to be defined by DWSD. Meter size, type and manufacturer for all applications shall be determined by DWSD. All water meters shall have applicable electronic read-transmitting (ERT) devices for remote reading. The location of the meter shall be subject to the approval of DWSD and shall be accessible for maintenance (see Appendix D). DWSD shall have the right to test, remove, repair, or replace any and all master meters. Any meter not installed in accordance with DWSD specifications shall be immediately replaced upon notification by DWSD, and at the sole cost of the Retail District.

1. Master Meter Wholesale Water Only – Wholesale Water Services provided by a master meter at a mutually agreed upon connection point(s) to the Wholesale Water Facility. Infrastructure required to convey water from DWSD connection point(s) to the Retail District's system will be at the Retail District's expense. The Retail District owns and is responsible for construction, operation, maintenance, and replacement of its local water system. DWSD delivers water to the Retail District through one or more master meters and bills the Retail District at the established Service Charge, defined herein. The Retail District, not DWSD, is responsible for reading the meters of its individual customers and for billing its End Users according to rate schedules established by the Retail District.
2. Meter Wastewater Only – Wholesale Wastewater Services will be provided at a mutually agreed upon collection point or points within the Wholesale Wastewater Facility. The Retail District conveys wastewater flows, at their own expense, to an agreed upon location in the Wholesale Wastewater Facility. DWSD bills the Retail District at the established Service Charge. The Retail District, not DWSD, is responsible for reading the meters of its individual customers and for billing its End Users according to rate schedules established by the Retail District.
3. Master Meter Water and Metered Wastewater -- Includes any combination of Wholesale Water Services and/or Wholesale Wastewater Services as described herein.

(d) Limitation for Master Meter Connection

All water and wastewater service shall be metered. Unless prior written approval is granted by DWSD, any unmetered use is considered to be unauthorized and is subject to fines and penalties as specified in these Rules and Regulations.

(e) General Denial of Application for Service

The DWSD Board may deny an application for a Master Meter Connection when there are not sufficient water rights and/or water facilities available; or will not be available in the future to serve the Retail District; or if granted, would negatively impact the DWSD's existing wholesale water and sewer facilities; or the Master Meter Connection, if granted, would have an adverse economic effect on DWSD or its existing Retail Districts; or the granting of the application would adversely affect the public health, welfare and safety of DWSD's existing Retail Districts. There may be other factors and aspects of an application which are unique to that application and are not recited above, and the DWSD Board retains the right to consider all reasonable factors related to an application and make a decision based thereon.

(f) Cancellation and Refund of Fees

DWSD reserves the right for reasons due to costs, capacity or other reasons defined herein, to cancel any Water Agreement. A refund of any fees collected is provided for in Section 6.04.

Section 6.11 Development Review

This section provides information on DWSD's requirements and procedures for the development process. System design shall comply with Appendix D.

(a) Pre-Submittal Meeting

A Pre-Submittal Meeting is required to discuss the development and exchange necessary information. DWSD shall be provided with the following information no less than five (5) Business Days before the meeting:

1. Applicant name, address, and a contact name.
2. Engineer's name, address, and a contact name.
3. A plat (preliminary or final) of the development site.
4. An estimated date that water/sanitary service is needed.

DWSD will provide to the Retail District's design engineer:

1. General comments related to the nature or location of the development.
2. Hydraulic Grade Line (HGL) on water tank and estimated static pressure near the site for the utility report required from the design engineer. This should be confirmed by a field test by the developer.
3. Website location to download DWSD's general notes required on the construction plans, easement form, and a design checklist and criteria for the utility study.
4. As-Builts in the area (if applicable/available).
5. All correspondence relating to the project must show the Proposed Development name, street address and plat name Filing/Block/Lot.

(b) Design Review

The following items shall be submitted to DWSD for the review of construction drawings, which shall conform to the design standards set forth in Appendix D. A violation of the Design Standards shall constitute a violation of these Rules and Regulations.

1. Provide a completed Commercial Industrial Pretreatment Survey.
2. Water and Sanitary Plans (4 sets) – The plans must include an overall utility plan and profile showing the location of water, storm, and sanitary (dry utilities if possible) infrastructure. These must be signed and stamped by a Colorado registered Professional Engineer prior to final approval. The jurisdictional Fire Department must sign the plans and agree with the fire hydrant placements and fire flow before the second submittal.
3. Final Plat (1 copy) – A copy of the approved final plat for the property shall be provided. All of the above items must be deemed acceptable before design and construction plans will be approved by DWSD. Upon approval, Applicant shall submit two (2) sets of 11 x 17 and 24 x 36 bound plan sets and one (1) digital copy of the approved final construction plans.

(c) Financial Guarantee

After the pre-construction meeting, but prior to Authorization to Construct, the Retail District may be required to furnish to DWSD a Financial Guarantee in the form of a letter of credit or a cash deposit or similar financial instrument equal to the estimated construction and/or operation and maintenance costs as approved by DWSD, or such lesser percentage as DWSD may determine is appropriate. The determination of whether a Financial Guarantee will be required shall be made at DWSD's sole discretion, based on a determination as to the reasonable potential that DWSD will be financially impacted and/or may be at risk to suffer loss or damage that may directly or indirectly occur as a result of the proposed construction; a failure to complete said construction; the installation of any water or wastewater lines, mains or facilities; improvements that are part of or otherwise impacted by the proposed construction.

Potential scenarios that may warrant the requirement of a Financial Guarantee include, by way of example but are not limited to:

1. The proposed construction involves the sizing/oversizing of a water or wastewater line in contemplation that future Retail Districts can make use of the line's capacity.
2. The proposed construction involves the building of a line that is part of DWSD's capital improvement plan and needed for overall system functioning and/or improvement.
3. The proposed construction involves a water or wastewater line that is to be used as a contingency and/or guarantee as part of a phased development pursuant to an agreement to which DWSD is a party or pursuant to any other obligation of DWSD regarding such phased development.
4. The proposed construction includes a relocation or lowering of any water or wastewater mains currently in service in major roads.

5. The proposed construction includes abandonment of existing water or wastewater mains and replacement at a new location.

(d) Authorization to Construct

DWSD shall issue to the Retail District a written Authorization to Construct when the following items have been completed to the satisfaction of DWSD:

1. Approval of engineering design and construction plans by DWSD.
2. Easements conveyed. The Retail District shall submit legal descriptions and sketches of all proposed easements for review. DWSD requires all Water Mains, and Sewer Mains to be located within easements dedicated to DWSD.

Section 6.12 Construction and Connection of Water and/or Sewer Service

(a) Design and Construction Specifications

Water and/or Wastewater Service shall be installed in accordance with the specifications set forth in Appendix D. All engineering services, contractors and licensed trades doing work within a Retail District of DWSD shall comply with these requirements.

(b) Right to Inspect

Retail Districts shall notify DWSD when the Water and/or Wastewater Service Connection is ready for inspection. The connection and testing shall be made under the supervision of DWSD. The Retail District will continue to be responsible for any costs, expenses or damages resulting from improper connection or construction.

(c) Requirement Prior to Connection of Water and/or Sewer Service

Retail Districts shall not be allowed to effectuate a connection to DWSD Wholesale Water and Wastewater Services prior to installation of individual water meters on the Retail District End Users, should Wholesale Water service be provided, or installation of flow meters on any Retail District Wastewater System at the point of connection to DWSD Wholesale Wastewater Facilities or any Retail District owned lift stations, should Wholesale Wastewater service be provided. Waivers may be granted by DWSD General Manager, with approval of DWSD Board, for existing Retail Districts to include unincorporated Louviers, the Town of Sedalia and Thunderbird. Said waiver will not be unreasonable withheld. DWSD will work with those Existing Retail Districts to phase in metering as needed.

Section 6.13 Expiration of Connection

If a connection for water and/or sewer service has been established and such connection does not become physically connected to DWSD wholesale facilities and operable within 12 months from the date of the approved connection, then the connection shall automatically expire beginning in the 13 month unless:

- The holder of the connection pays to DWSD one-half of the standard base monthly Retail District fee; or

- The General Manager, in the General Manager's sole discretion, approves an agreement with the holder of the connection providing for the deferral of payment of such fee to a date certain, or until the occurrence of a specific identified event.

Chapter 7. Use of Water or Sewer Service

Section 7.01 Use of Systems -- DWSD Responsibilities

Except as otherwise provided by these Rules and Regulations, DWSD is responsible for the operation and maintenance of the Wholesale Water and/or Wastewater System in accordance with these Rules and Regulations.

Section 7.02 Use of Systems -- Retail District Responsibilities

Connections to DWSD wholesale water and/or wastewater infrastructure is approved for specific uses as stated in the fully executed IGA between DWSD and the Retail District.

(a) No Unauthorized Use

No person shall uncover, alter, disturb, make any connection to, make an opening into, or backfill prior to inspection of the Retail District's connection to DWSD wholesale infrastructure without written authorization from DWSD. Unauthorized uses of or tampering with DWSD systems include but are not limited to change in the Retail Districts equipment, service, or use of property; unauthorized turn-on or turn-off of Water Service at the Master Meter connection; burying valve boxes and/or manholes; preventing access to the meters; unmetered water use; modifying any water meter; or discharging prohibited wastewater.

(b) Expansion or Change in Use – Duty to Notify

Any expansion or addition to the Retail District's service area is expressly prohibited. All water furnished by DWSD is only for the uses on the property for which the Retail District has designated in the Application for Service and in the Development Plan. If any use of the property is changed from that contemplated at the time of issuance of the connection, or should additional service or expansion be entertained by the Retail District, the Retail District shall notify DWSD in writing. Water will not be furnished and/or used for such new uses until formally approved by DWSD. DWSD will review the request and in its sole discretion determine if service can be extended and the conditions of said extension of service. Should the Retail District need additional water supplies for existing use, either on a temporary or permanent basis, the Retail District shall notify DWSD in writing. DWSD will review the request and in its sole discretion determine if additional water service can be provided to the Retail District. The right to use water furnished by DWSD shall not include the right to use water outside of the designated property for that Retail District, nor to re-use or otherwise dispose of the water. The water must be applied to a beneficial use by the Retail District on that Retail Districts designated property. Notwithstanding use by the Retail District, the water is at all times the property of and subject to the DWSD and control of DWSD to include all return flows that remain the property of DWSD.

Should DWSD determine, in its sole discretion, that water and/or wastewater service can be extended or augmented, before the new use shall be permitted to enjoy the benefit of DWSD's services, the Retail District shall do all things required by DWSD inclusive of the payment of any sums of money for adjusted charges, connection fees and other related costs. Failure to comply shall be conclusive evidence of DWSD's right to discontinue service to the Retail Districts property in the event the new uses are commenced.

(c) Suspension and/or Abandonment of Service

When a structure is moved or destroyed, and/or the water and sewer services are suspended, the original Connection Agreement shall remain, provided that a written request is made to and approved by the General Manager prior to cessation of payment of monthly service fees.

When a service is abandoned permanently, the Retail District shall valve off the water service at the master meter and plug the service connection at the property line. If the Retail District is not responsive within a reasonable time period as determined by the General Manager, DWSD will valve off the water service and plug the sewer service. Any related costs thereby incurred by DWSD shall be charged to the Retail District and, if not paid within thirty (30) Business Days of notice, a lien filed on the property.

(d) Voluntary Service Disconnect – Temporary

A Retail District may request a temporary disconnect from DWSD system by submitting in writing a Voluntary Disconnect Request. Prior to any such voluntary disconnect, the Retail District shall bring the account current. The account will be noted as a voluntary disconnect and no Connection Fee will be charged to resume the service. The Retail District will continue to be responsible for the Monthly Fees as outlined in these Rules and Regulations.

(e) Assignment or Transfer of Water Supply Agreement – Duty to Notify

Any assignment or transfer of the Water Supply Agreement from the Retail District to another entity is subject to the review and approval of DWSD. Such assignment or transfer shall not be executed without written authorization of DWSD.

(f) Water Shortage

If a shortage or prospective shortage necessities such action, DWSD may restrict or curtail the supply of water, see Chapter 8. Any necessary restrictions and/or curtailments will be allocated among each individual Retail District. This allocation will be equitably distributed based on the proportion of total DWSD water deliveries each Retail District receives and level of water efficiency for each individual Retail District. Generally, Retail Districts that have a higher level of water efficiency will be required to save less water per unit basis (water use per household) than less efficient Retail Districts.

Section 7.03 Tampering with Systems

(a) Damage to System

No Person shall break, damage, destroy, cover, uncover, deface, or tamper with any portion of DWSD's system.

(b) Violations

Any Person in violation of this provision shall be assessed additional fees and charges and penalties as approved by the DWSD Board and may be prosecuted to the full extent of Federal and Colorado Law. Nothing herein shall limit prosecution under any applicable municipal or county ordinance.

Section 7.04 Use of Water System

(a) Water Service Retail District Responsibility

Each Retail District shall be responsible for all costs associated with the maintenance, repair and/or replacement of the water system up to the Master Meter vault. The Retail District is responsible for the correct installation of the connection to the Master Meter vault as described in Appendix D. The Retail District is responsible for maintaining an easement in and around the master meter vault and service area. DWSD reserves the right to impose fees to recover costs associated with the removal of obstructions from the Master Meter service area. This includes but is not limited to landscaping, sod removal activities, road improvements, etc.

(b) Termination of Water Service

In all cases except those involving an imminent hazard to the health, safety or welfare of the inhabitants or visitors of DWSD wholesale service area shall be given due notice of the opportunity to request a hearing prior to involuntary disconnection or termination of service. Any request for a hearing concerning DWSD's intent to disconnect service shall be given in writing to the General Manager within three (3) Business Days of receiving such notice. Such notice shall be deemed to have been received by the Retail District upon the delivery of such notice to the address of the Retail District service by DWSD. A copy of the notice will be sent to the Retail District's billing address; however, any delay caused by the mailing of the notice to the Retail District shall not affect DWSD's right to disconnect service. Said hearing shall be scheduled with the General Manager at the earliest possible date and time and shall otherwise comply with Section 10.02 herein. Wholesale service to the Retail District shall be revoked by disconnecting or blocking either or both the Water Service and Sewer Service serving the Retail District.

(c) Water Service Repair

The repair of leaks, breaks, and general maintenance of the Retail District's distribution system shall be the responsibility of the Retail District. If DWSD becomes aware that there is compromised water quality or any related problem that is posing a threat to public safety, the Retail District shall be given notice that the distribution system is in need of repair. The Retail District shall institute repair or maintenance immediately. If satisfactory progress toward repairing the water service has not been made in a timely manner, or DWSD determines that environmental or property damage is being caused, or the health and welfare of the public is being compromised, DWSD shall shut off the water service until repaired. To avoid water damage in the case where a leak is active and the Retail District is not readily available, DWSD shall have the right to shut off the water and to delay reconnection until the Retail District effectuates a repair. In addition, if necessary, DWSD shall have the right to perform the repair and the costs of said repair shall be the responsibility of the Retail District. If the Retail District fails to make prompt payment for the repairs within thirty (30) days of invoice, a lien shall be placed on the property as provided by Colorado Law.

(d) Waste of Water Prohibited

Water is a valuable and precious resource in the State of Colorado and within DWSD's Service Area. Waste of water is hereby prohibited. Irresponsible runoff of water from landscaped and

irrigated properties, and overspray from irrigation systems to impervious surfaces is prohibited. Retail Districts are required to maintain any sprinkler system, irrigation system, or hoses in such a manner as to avoid runoff, overspray, leaks and/or waste. Any employee of DWSD who observes waste, as defined, shall notify the Retail District that waste is occurring. In the event that the Retail District fails to cease the activity resulting in waste, or in the event any employee of DWSD shall observe such waste at the same location for a subsequent time, service may be terminated by DWSD until such waste ceases.

Section 7.05 Emergency Water Connections

From time to time, DWSD may effectuate an emergency connection with Retail Districts or other municipalities. Said emergency connections can be mutually beneficial or for the benefit of DWSD or said Retail District/municipality solely. Any emergency connections will be reviewed and approved by the DWSD Board prior to completion. Conditions outlining the issuance of an emergency by either DWSD, or the Retail District/municipality will be detailed in the specific IGA with said entity. At the time of the issuance of these Rules and Regulations DWSD has one emergency connection through Centennial Water & Sanitation District for the benefit of Mirabelle Water & Sanitation District who serves the community of Solstice.

Section 7.06 Protection of Water Quality

No contamination or pollution of the Public Water Supply (PWS) shall enter the water system through a connection from another water system or by means of backflow from a Retail District's system.

(a) Commingling Prohibited

Interconnection of another source of water with DWSD's wholesale system is strictly prohibited, except as specifically authorized by written agreement.

(b) Backflow Prohibited

Backflow from any connection to DWSD's wholesale system or facilities is strictly prohibited.

(c) Backflow Prevention Device Required

No water service to a Retail District shall be connected unless DWSD's wholesale water supply is protected from backflow as required by DWSD engineering standards (see Appendix D).

Section 7.07 Use of Sewer System

(a) Sewer Service Retail District Responsibility

Each Retail District shall be responsible for all costs associated with the maintenance, repair and/or replacement of the Retail Customer's conveyance system to DWSD's wholesale system.

(b) Sewer Service Repair

Leaks, breaks and general maintenance of the sewer service shall be the responsibility of the Retail District. If DWSD becomes aware of any sewer service-related problems, the Retail District may be given notice that the sewer service is in need of repair. The Retail District shall institute repair or maintenance immediately. If satisfactory progress towards repairing the service is not made in a timely manner, or DWSD determines that environmental or property damage is being caused, DWSD shall shut off water service until the sewer service is repaired. In addition,

if necessary, DWSD shall have the right to perform the repair, and the costs shall be borne by the Retail District. If the Retail District fails to make prompt payment for the repairs within thirty (30) days of invoice, a lien shall be placed on the property as provided by Colorado Law.

Section 7.08 Sewer Regulations

(a) Sewer Use General

Except as provided herein, no Person shall discharge, or cause to be discharged to any Sewer Main any harmful or deleterious wastes, whether liquid, solid or gas, capable of causing obstruction to the flow in sewer, damage or hazard to structures, equipment and personnel of DWSD, or other interference with the proper operation of the DWSD Wholesale Sewer System.

(b) Prohibited Discharge

No Person(s) shall discharge or cause to be discharged any of the following described water or wastes to any Sewer System:

- Storm water, surface water, ground water, roof runoff, sub-surface drainage, cooling water, unpolluted industrial process waters or any other unpolluted water.
- Any gasoline, benzene, naphtha, fuel oil, or other flammable or explosive liquid, solid or gas.
- Any waters containing toxic or poisonous solids, liquids, or gases in sufficient quantity, either singly or by interaction with other wastes, that: contaminate the sludge of any municipal system, injure or interfere with any sewage treatment process, constitute a hazard to humans or animals, create a public nuisance, or create any hazard in or have an adverse effect on the waters receiving any discharge from the treatment works.
- Any waters or wastes having a pH outside of the range specified in Appendix E or having any other corrosive property capable of causing damage or hazard to structures, equipment, or personnel of the Wastewater Treatment Facility.
- Solid or viscous substances in quantities or of such size capable of causing obstruction to the flow in sewers or other deleterious effects on the Sewer System and interference with the proper operation of the Wastewater Treatment Facilities such as, but not limited to: garbage, ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, grease, oil, wood, whole blood, paunch manure, hair and flesh, entrails and paper dishes, cups, milk containers, etc., either whole or ground by garbage grinders.
- Any other prohibited discharges listed or described in Appendix E to any sanitary sewer connected to the DWSD wholesale sewer system.

(c) Pretreatment Requirements

All Retail Districts are subject to the pretreatment requirements of South Platte Renew, the wastewater treatment provider for DWSD. Adherence to the pretreatment requirements is the sole responsibility of the Retail District (see Appendix E for the S. Platte Renew Pretreatment Program).

Chapter 8. DWSD Drought and Water Shortage Plan

Section 8.01 Background

The majority of water providers in Douglas County have historically relied on non-renewable groundwater from the Denver Basin. Over-drafting of the Denver Basin has caused groundwater levels to decline in local areas, reducing not only the availability and reliability of water supplies but also impacting water quality. In response, many water providers in Douglas County are in the process of acquiring renewable supplies that are more sustainable for the long-term future. In response to Douglas County's transition to water systems predominantly reliant on renewable supplies, DWSD became the first water provider in the county to develop a predominantly renewable water supply. Since inception, DWSD has served customers with a 100% renewable water supply through 2023 and has made a commitment at build out to have a water supply comprised of at least 70% renewable sources. DWSD's renewable supplies come from regional agreements, and other surface water rights owned by DWSD, and a portion of those water supplies are currently stored in Chatfield Reservoir.

DWSD has sufficient water supplies to meet its existing commitments and is currently in the process of developing the infrastructure to deliver those water supplies while also attaining additional supplies to meet the projected water needs of a diversity of prospective Retail Districts. Sterling Ranch CAB, DWSD's current and only Retail District, is at the forefront of water efficiency standards. To continue the pioneering water-efficient standards set by Sterling Ranch, development serviced by DWSD -- serving as the Wholesale Provider -- will be required to meet water efficiency design standards addressed in Appendix D. DWSD recognizes that other prospective, existing Retail Districts as defined in DWSD's PSA, reliant on declining groundwater, are established in older communities that are less water efficient. Such existing Retail Districts will have the ability to request variances for those established communities to assist them in attaining access to renewable water supplies. Any future redevelopment in those existing Retail Districts will be required to meet the current water efficiency standards as previously described.

DWSD will be undergoing significant changes as it continues to develop and grow into its service area. This section of the Rules and Regulations is intended to provide the necessary foundation to address drought and water shortages by defining roles and responsibilities of both the Wholesale Provider and Retail Providers and providing direction on current and future planning efforts for our customers.

This section of the Rules & Regulations is designed to maintain a degree of flexibility in addressing the unique changes, opportunities, and challenges that DWSD will experience.

Section 8.02 Overview on Drought in Colorado

Drought is generally described as an imbalance caused by a deficiency of precipitation over an extended period that results in a shortage for some activity, group, or need. Drought and accompanying water shortages can look very different from a meteorological, hydrological, agricultural, municipal, or socio-economical perspective. Additionally, within Colorado,

municipalities in the same geographic area can be impacted by drought in very different ways, depending on their unique water supply situation and the characteristics of their service area.

Although droughts do not occur at regular predictable intervals, they are a natural part of the Colorado climate. While there will continue to be climate variability with wet and dry years in the future, climate science predicts an increased likelihood that Colorado will experience relatively more frequent, severe, and longer droughts in the future, further emphasizing the need for responsible drought planning.

Section 8.03 Roles of DWSD and Retail Districts

This chapter applies to Drought and prolonged Water Shortages. Acute short-term Water Shortages, such as a temporary break in a water main feeding a local neighborhood, would activate an emergency response. To effectively execute Drought and Water Shortage Mitigation and Response, DWSD and its Retail Districts must have well-defined roles. Furthermore, Mitigation and Response must be collaboratively executed at varying levels of governance from the State down through the End User (homeowners, HOA's, businesses, etc.).

(a) Role of DWSD in Drought Mitigation and Response

DWSD's role is to 1) provide a reliable and predictable water supply to its Retail Districts, 2) preserve the water necessary to meet essential health and safety needs during a water shortage, 3) minimize adverse water shortage impacts to the extent practical by mandating and enforcing reduction in water use among Retail Districts, 4) collaborate with regional partners, 5) facilitate collaboration with and between DWSD's Retail Districts, and 6) coordinate with and provide information to Retail Districts. DWSD shall accomplish this through collaborative and well-coordinated efforts with Retail Districts and regional partners. Water efficiency, proactive water supply planning, well-prepared drought mitigation and response efforts, and communication are all paramount in this effort.

***Vision:** DWSD is committed to providing a sustainable and reliable water supply to its Retail Districts, working closely with each Retail District and regional partner to promote the efficient use of this valuable limited resource.*

(b) Role of Retail Districts

The role of the Retail District is to 1) manage its water planning efforts and distribution system to optimize water efficiency within its service area, 2) stay informed of Drought and Water Shortage conditions, 3) work closely with DWSD and DWSD's other Retail Districts as needed in periods of Drought and Water Shortages to achieve measured water savings, 4) facilitate governance at the local level by collaboratively pursuing solutions with their respective end users and meeting DWSD's required water saving targets when necessary, and 5) keep their respective End Users well informed of any necessary Mitigation and Response. Retail Districts are required to have a Retail DMRP as referenced in Section 8.10.

Section 8.04 DWSD's Drought Mitigation and Response Plan

DWSD shall maintain a Drought Mitigation and Response Plan that lays out DWSD's responsibilities in mitigating and responding to Drought and Water Shortages. The DWSD Drought Mitigation and Response Plan shall be updated at a minimum every five years to ensure

that it sufficiently addresses DWSD, and its Retail Districts' needs as the region continues to develop. Plan updates shall be facilitated in a manner where the DWSD Board, DWSD staff, and Retail Districts have an opportunity to review and comment.

(a) **Fundamental Components of DWSD's Drought Mitigation and Response Plan**

DWSD's Drought Mitigation and Response Plan shall include the following components, which are further addressed in Sections 8.05 through 8.09:

- Objectives and operating principles of DWSD's Drought Mitigation and Response Plan
- DWSD's Drought Mitigation and Response Strategies
- Monitoring and Assessment
- Decision-Making and Declaration Protocol
- Plans for Drought and Water Shortage Response
- Coordination and Implementation of Response

The objectives of DWSD's 2023 Drought Mitigation and Response Plan are to:

1. Provide resilient water supply – Allow for the continued delivery of a sustainable, resilient water supply that is reliable and predictive for its Retail Districts.
2. Encourage adoption of water efficiency standards – Retail districts are encouraged to adopt water efficiency standards to promote and facilitate low water landscapes and land use planning.
3. Make informed decisions - Foster coordinated communication with regional water providers and identify the resources necessary to ensure a data-driven predictive Drought monitoring approach that informs decision-making when contemplating declaration of a Drought or Water Shortage.
4. Guide Retail District Drought planning - Provide Retail Districts clear guidance when developing their retail DRMPs based on established standards, yet also allowing for flexibility to address unique circumstances and needs.
5. Coordinate with Retail Districts - Foster an engaging interactive process between Dominion and the Retail Districts on monitoring, declaring, and implementing Drought and Water Shortage Mitigation that is mutually beneficial and results in achievable water savings.

The objectives shall be updated, as needed, with each update of the DWSD Drought Mitigation and Response Plan.

(b) **Operating Principles of DWSD's Drought Mitigation and Response Plan**

The operating principles of the 2023 DWSD Drought Mitigation and Response Plan are reflective of DWSD's values and, therefore, shall guide the development, routine update, and implementation of the DWSD Drought Mitigation and Response Plan. The operating principles are:

1. Coordinate on Retail DMRPs - Work in close coordination with existing and prospective Retail Districts to assist districts with developing effective Retail DMRPs that are reflective of Dominion's priorities in Table 2.
2. Clearly communicate - Provide clear communication with water Retail Districts on local and regional Drought monitoring findings at the onset and during a Drought or Water Shortage declaration.
3. Empower Retail Districts - Provide the necessary tools to each Retail District during a Drought and Water Shortage to 1) allow Retail Districts to effectively implement Mitigation measures outlined in their Retail DMRPs; and 2) communicate with the end users as laid out in their Retail DMRPs.
4. Innovate and collaborate - Encourage innovative collaborative approaches to addressing Water Shortage related challenges that meet Dominion's objectives and improve resiliency both regionally and within Dominion's local Service Area.
5. Promote water efficiency - Encourage and incentivize water efficiency and low water use landscaping in all new development within Dominion's Service Area.

The DWSD Drought Mitigation and Response Plan shall depict how DWSD's Mitigation and Response strategies align with its operating principles. The operating principles shall guide decision making when responding to a Drought and Water Shortage and shall be updated as needed with each update of the DWSD Drought Mitigation and Response Plan.

Section 8.05 Mitigation Strategies

To lessen or avoid adverse impacts and enable faster recovery from a Drought and Water Shortage, DWSD's Drought Mitigation and Response Plan shall provide mitigation strategies to be implemented during and prior to a Drought and Water Shortage. Such mitigation strategies shall encompass DWSD's activities to ensure that there are sufficient supplies to meet growing water demands within the service area. At a minimum, the mitigation strategies shall include:

1. Drought Mitigation and Response planning and coordination.
2. Water efficiency planning and strategies to promote efficient and low water use.
3. Water supply system development and redundancy.

Section 8.06 Monitoring and Assessment

(a) Drought and Water Shortage Monitoring

DWSD shall closely monitor Drought and Water Shortage indicator data to assess the potential for and severity of a Drought and Water Shortage. DWSD's Drought Mitigation and Response Plan shall provide a list of indicator data to be monitored and used to assess the need to implement the DWSD Drought Mitigation and Response Plan. At a minimum, these data shall include climatic, hydrologic, operational and maintenance procedures, relevant infrastructure information, water supply availability through DWSD's current supply agreements, and water demands. Other influential factors such as relevant drought-related dialogue from entities such as Douglas County, Aurora Water, Denver Water, and the Colorado Water Conservation Board (CWCB) and associated Task Forces, and regional water providers, may be included in the list if

it is to be considered for decision-making purposes. The DWSD Drought Mitigation and Response Plan shall also specify the staff responsible for Drought Monitoring, general monitoring schedule, and protocols for monitoring and recording the data.

(b) *Communications among DWSD and Retail Districts on Monitoring*

DWSD shall convey Drought and Water Shortage monitoring findings to the Retail Districts on a routine basis. The DWSD Drought Mitigation and Response Plan shall provide a communication framework to guide DWSD on communications with Retail Districts regarding the frequency of communications, monitoring findings, and Drought and Water Shortage status. The frequency of communication shall increase near the onset and during Drought and Water Shortage periods. DWSD’s Retail Districts shall actively engage with DWSD’s communication efforts conveying any challenges, questions or concerns to DWSD.

(c) *Drought and Water Shortage Stages*

DWSD’s assessment of Drought and Water Shortage conditions shall be a data-driven process. Quantitative and qualitative indicators addressed in Section 8.08(a) shall be evaluated to select a Drought and water stage that requires an appropriate level of response given the severity of conditions.

The DWSD Drought Mitigation and Response Plan shall include four Drought and Water Shortage stages that increase in severity from, for example, a Stage 1: “severely dry conditions” to a Stage 3: “emergency conditions.” The nomenclature used for each stage shall be identified in the DWSD Drought Mitigation and Response Plan, along with a description of each stage that highlights the severity, general characteristics of the stage, and an appropriate level of response to extend water supplies and reduce water demands.

(d) *Water Supply Index and Triggers*

The decision as to which stage is applicable to DWSD’s water supply and demand situation shall be based on identified trigger(s) and indicators, defined in the DWSD Drought Mitigation and Response Plan. One of these triggers shall be a Water Supply Index, defined by the following ratio:

$$\text{Water Supply Index} = \frac{\text{Water Supply}}{\text{Water Demand}}$$

To assist with decision-making purposes, the DWSD Drought Mitigation and Response Plan shall assign a range of Water Supply Index values applicable to each stage. For example, a Water Supply Index of 0.9 is indicative of a Water Shortage when water demand exceeds supply and therefore could trigger a Water Shortage declaration. The specific components comprising the “Water Supply” numerator and “Water Demand” denominator shall vary as DWSD’s water supplies evolve towards buildout and its demand increases as its service area develops. These components shall be identified in DWSD’s Drought Mitigation and Response Plan and be updated according to DWSD’s Water Supply and demand situation at each DWSD Drought Mitigation and Response Plan update.

Section 8.07 Decision Making and Declaration Protocol

DWSD staff shall use the Water Supply Index defined in Section 8.08(d), the indicators identified in the DWSD Drought Mitigation and Response Plan, and their professional expertise to make a recommendation to the DWSD Board on the declaration of specific Drought or Water Shortage stage. Such a recommendation shall be made to the DWSD Board in writing, with accompanying data to support the recommendation.

Upon receiving the recommendation, the DWSD Board shall have the opportunity to discuss the recommendation to further understand the implications for such a declaration prior to any formal decision. Upon the DWSD Board's decision to issue a declaration, a Resolution will be filed, officially documenting the declaration. The DWSD Board shall reserve the right to make subsequent escalation and de-escalation changes to the declaration (e.g., move from Stage 2 to Stage 1) based on monitoring efforts and input from DWSD staff. Examples of such changes include increasing the severity of the stage to better reflect worsening drought conditions, or the termination of the declaration once drought conditions improve.

DWSD staff shall be responsible for communicating the DWSD Board's declaration to Retail Districts and regional providers. The DWSD Drought Mitigation and Response Plan shall include protocols for communicating the declaration announcement and subsequent changes.

Section 8.08 Plans for Drought and Water Shortage Response

(a) Response for DWSD Drought and Water Shortage Response

DWSD Drought Mitigation and Response Plan shall specify how DWSD will respond to a Drought per each stage addressed in Section 8.08(c). The Plan shall include a list of supply-side measures DWSD shall take to extend water supplies, and demand-side measures to support Retail Districts in reducing water demand. Sufficient guidance shall be provided on the response measures while still allowing DWSD's response to be customized to each unique situation. Such guidance shall adhere to the DWSD Drought Mitigation and Response Plan's operating principles, and water use priorities as referenced in Appendix F. A communications framework, customized to each stage, shall lay out the basic communication channels and frequency of communication between DWSD and its Retail Districts during declared drought and water shortages.

When necessary, DWSD will assign water- saving targets to its respective Retail Districts. Retail Districts are required to meet these targets per the protocol outlined herein and in the DWSD's Drought Mitigation and Response Plan and the respective Retail DMRPs. DWSD reserves the right to implement water- saving targets based on the Retail Districts water efficiency, meaning that those Retail Districts that are less water efficient may have more stringent curtailment requirements, that will be included as part of Water Connection Agreement. During emergency Drought and Water Shortage situations, DWSD may have to curtail water supplies to Retail Districts to ensure that the essential water needs for health and safety can be met throughout its service area. The DWSD Drought Mitigation and Response Plan shall specify how such curtailments will be administered and coordinated with Retail Districts to minimize impacts.

DWSD also reserves the right to institute a Water Shortage Surcharge on its Retail Districts during times of shortages. Any Water Shortage Surcharge shall be approved by the DWSD Board prior to implementation. Water Shortage Surcharges shall only be instituted on a temporary basis to pay for necessary costs to deliver water supplies. Customer classification, affordability, and existing community water efficiencies will be considered when instituting a surcharge. The DWSD Drought Mitigation and Response Plan shall address the appropriate circumstances in which a Water Shortage Surcharge may be instituted and necessary communication with Retail Districts in advance of the surcharge. In cases where Water Shortage Surcharges may flow down to the individual water customers, Retail Districts shall address customer Water Shortage Surcharges in their Retail DMRPs.

(b) Retail District Drought and Response Plans

DWSD Retail Districts shall maintain a Retail DMRP approved by DWSD. A DWSD approved Retail DMRP is a requirement as a condition of service as specified in Section 6.

DWSD Drought Mitigation and Response Plan shall provide a set of guidelines on the items to include in the Retail DMRP. At a minimum, the guidelines shall:

- Specify response measures necessary to ensure that essential health and safety water needs can be met under all circumstances.
- Reflect the operating principles and water use priorities in the DWSD Drought Mitigation and Response Plan.
- Include response measures and communication protocol that correspond with each of the drought stages outlined in the DWSD Drought Mitigation and Response Plan. This shall be closely coordinated with DWSD’s communication protocols as outlined in the DWSD Drought Mitigation and Response Plan.
- Promote water-efficient designs and retrofits in all aspects of existing and future development by structuring the response program where non-essential water uses, such as landscape irrigation, car washes, etc., can be managed separately from health and safety water needs.
- A commitment to implement and enforce the response measures outlined in their Retail DMRP.

DWSD’s Drought Mitigation and Response Plan shall also include a detailed template that Retail Districts may use in developing their own Retail DMRP. Retail Districts shall have the option of using the template with appropriate modifications or developing their own Retail DMRP subject to DWSD’s review and approval. All Retail Districts DMRP’s developed without DWSD’s template must incorporate the guidelines in DWSD’s Drought Mitigation and Response Plan and incorporate the “essential” components outlined in Section 3.3. of the CWCB’s 2020 Drought Management Planning: A Guide for Water Providers, or as amended.

During the development of the Retail DMRP and DWSD’s review process, DWSD and the Retail District shall collaboratively:

- Identify and understand any unique situation(s) of the Retail District that warrants consideration in the development of the Retail DMRP.

- Address questions, comments, and concerns that DWSD or the Retail District may have during the plan development and review process.
- Adhere to defined timelines of the will-serve application process.

Section 8.09 Coordination and Implementation of Response

Upon declaration of Drought or Shortage stage by the DWSD Board, DWSD and its Retail Districts shall implement the response measures and communication protocol outlined in each of their respective Retail DMRPs. DWSD shall provide routine updates to Retail Districts on the drought conditions, status of the water shortage situation, and any new developments that could impact future water supplies. Retail Districts shall provide DWSD with routine status updates on their response efforts, successes, challenges, and key performance indicators (KPIs) such as outdoor use and per capita water use (as available), through the duration of the declaration. The details of these monitoring and coordination efforts, including the frequency of correspondence and forum(s) for communication, shall be outlined in DWSD's Drought Mitigation and Response Plan. This protocol shall also be incorporated into the Retail DMRP.

DWSD reserves the right to impose penalties, to include a Water Shortage Surcharge, as a means of enforcement if a Retail District is negligent in meeting the requirements outlined in the Retail DMRP. A detailed enforcement protocol per individual stage shall be included in DWSD's Drought Mitigation and Response Plan. This shall include measurable metrics to impose the penalties and how the data/metrics will be collected.

Chapter 9. DWSD Conservation Plan

Section 9.01 Introduction

DWSD and its existing Retail District, Sterling Ranch CAB, are on the cutting edge of water efficiency practices in Colorado. This water efficiency provides for and allows DWSD to stretch its existing water supplies to meet diverse demands, limits Drought and Water Supply shortages, and allows for the potential to have available Wholesale Water for additional Retail Districts located within DWSD Service Area, as defined herein.

As such, DWSD requires that all Potential Retail Customers and Retail Districts adopt similar or more stringent conservation practices. DWSD recognizes that some Existing Retail Districts, to include unincorporated Louviers, the Town of Sedalia, and Thunderbird are existing communities that have not implemented water efficient practices. Guidance will be provided for those Existing Retail Districts to achieve water efficiency standards and implement effective Retail Conservation Plans in a phased approach.

Generally, DWSD follows the guidelines provided in the CWCB Guidebook of Best Practices for Municipal Water Conservation in Colorado, adopted in 2011 and as amended from time to time.

Section 9.02 Metering

DWSD requires that all End Users in Retail Districts have individual meters, as outlined in the DWSD Engineering and Construction Standards, see Appendix D. Existing Retail Districts to include unincorporated Louviers, the Town of Sedalia, and Thunderbird are existing communities that may not have individual meters on their End Users. DWSD will work with these Existing Retail Districts on an implementation plan to phase in individual meters such that water demand use can be accurately tracked by the Retail District and to assist that Retail District in implementing potential conservation programs and/or Drought and Water Shortage curtailments.

Section 9.03 Demand Monitoring

DWSD requires that all Retail Districts connect to DWSD Wholesale Water Facilities through a master meter vault, see DWSD Engineering and Construction Standards in Appendix D. DWSD will monitor volumetric water usage through the master meter. Should DWSD determine that the Retail District is using substantially more water than originally requested through the Service Application, DWSD may:

- Request the Retail District to provide information and reasons for said additional water usage.
- Modification to the Retail District's Conservation Plan, or
- Issue curtailments based on excessive or abusive water usage.
- Impose penalties as a means of enforcement for excessive or abusive water usage.

Section 9.04 System Water Loss

DWSDs Wholesale Water Facilities are of newer construction and as such achieve low system water loss. However, DWSD recognizes that as the Wholesale Water Facilities age the potential for water loss is more pronounced. DWSD collects and funds an aging infrastructure replacement fee to be used to routinely inspect and replace aging infrastructure as needed. In addition, DWSD has effective water metering within its Wholesale Water Facilities to assist in indicating when a potential leak has occurred.

DWSD requires that all Retail Districts account for and mitigate water loss within its Retail Distribution System as outlined in the Retail Conservation Plan template. Should DWSD determine that the Retail District is not proactively taking steps to reduce water loss within its Retail Distribution System, DWSD reserves the right to:

- Request the Retail District to provide information and reasons for failing to implement an effective water loss program.
- Request modification to the Retail District's Conservation Plan, or
- Issue curtailments based on excessive or abusive water loss that results in an increase in water usage.
- Impose penalties as a means of enforcement for excessive or abusive water loss.

Section 9.05 Public Information & Communication

DWSD will support and provide information as requested to its Retail Districts regarding the effective communication of the value of water and how to deliver consistent and effective messaging. DWSD will communicate with its Retail Districts should its water consumption unusually spike indicating a potential leak or water line break.

Section 9.06 Water Efficient Practices

DWSD and its existing Retail District, Sterling Ranch CAB, is on the cutting edge of water efficiency. Standards implemented by Sterling Ranch CAB include:

- Dual meters – indoor and outdoor individual meters
- Indoor and Outdoor Water Budgets – with escalated rates for usage outside of the End Users water budget
- Waterwise fixtures within all single family and multi-family homes
- Guidebooks of approved landscaping practices and plantings developed in partnership with Denver Botanic Gardens
- Approval of landscaping plans by on-site licensed Landscape Architects
- Implementation of Rainwater Harvesting for regional parks

DWSD strongly encourages new Retail Districts to adopt similar water efficiency practices to assist in encouraging efficient water use by its End Users. DWSD will work with those existing Retail Districts to include unincorporated Louviers, the Town of Sedalia, and Thunderbird to phase in water efficient best practices as applicable to each existing Retail Districts unique circumstances.

Section 9.07 Retail Conservation Plan

DWSD requires that all Retail Districts have an approved Retail Conservation Plan, as outlined herein. DWSD is in the process of developing its Conservation Plan to include a template Retail Conservation Plan that will be provided as Appendix G. that Retail Districts may use in developing their own Retail Conservation Plan. Retail Districts shall have the option of using the template with appropriate modifications or developing their own Retail Conservation Plan subject to DWSD's review and approval. All Retail Districts Conservation Plan developed without DWSD's template must incorporate the "essential" components outlined in CWCB's 2011 Guidebook of Best Practices for Municipal Water Conservation in Colorado, or as amended.

Chapter 10. Violations, Penalties, and Enforcements

Section 10.01 Enforcement

(a) Violations

In any case of violation of these Rules and Regulations, DWSD may revoke, disconnect or turn-off service, require the responsible Person or entity to disconnect, or require the responsible Person or entity to return DWSD's facilities and/or system to original condition, and shall require payment of all applicable fees and charges provided by these Rules and Regulations along with all costs associated with the violation, including any expense, loss, damage or attorneys' fees occasioned by such violation by the responsible person or entity prior to DWSD providing any service to any property or facilities owner, leased or occupied by the responsible party, whether or not such property or facilities are directly involved in the violation. This Section shall not be construed to limit the rights of DWSD to pursue other fees, charges, remedies or forms of relief provided in these Rules and Regulations and by other applicable law.

(b) Criminal Offenses

Any Person who maliciously, willfully, or negligently breaks, damages, destroys, uncovers, defaces or tampers with any portion of DWSD's Wholesale Water and/or Wastewater System without written authorization, shall be subject to applicable statutory penalties and referred to the appropriate law enforcement agency or District Attorney with a recommendation that the Person be charged with a misdemeanor or felony, and upon conviction thereof, fined in an amount as established by the court for each violation, along with whatever additional penalties or charges may be appropriate.

(c) Suspension of Service

Service shall be revocable by DWSD upon non-payment of valid fees or charges owing to DWSD, upon failure to comply with these Rules and Regulations, or when the General Manager determines that an emergency exists, and such revocation is necessary to protect the health, safety and welfare of DWSD's Retail Districts.

Section 10.02 Dispute Resolution, Retail District Complaints, Hearings and Appeals

(a) General

If a Retail District wishes to dispute any rates, tolls, charges, fines, fees, assessments and/or penalties imposed by DWSD or a determination made by DWSD, the Retail District must appeal such rates, tolls, charges, fines, fees, assessments and/or penalties or determination by following the procedure set forth below (a Retail District filing an appeal is referred to in the remainder of this section as the "Appellant"). Notwithstanding the filing of an appeal the Appellant is required to pay any rates, tolls, charges, fines, fees, assessments and/or penalties assessed by DWSD and such rates, tolls, charges, fines, fees, assessments and/or penalties shall be held by DWSD until such time as the appeal is final. The hearing and appeal procedures established below shall apply to all disputes concerning the interpretation, application or enforcement of the rates, tolls, charges, fines, fees, assessments and/or penalties, or other determinations, including determinations not involving applications of the Rules and Regulations, of DWSD and application and enforcement of these Rules and Regulations, as they now exist or may hereafter be amended. In the event a

proper and timely request for an appeal is not made as provided herein, the right to an appeal shall be deemed forever waived.

(b) Appeal to General Manager

The Appellant must first file a written request with DWSD within ten (10) days of being notified of a proposed revocation of service or other determination of DWSD or of the due date specified for a fee, rate or charge of DWSD. Within thirty (30) days of receiving the request from the Appellant, DWSD, after a full and complete review of the record, shall issue a written determination regarding the application or enforcement of the rates, tolls, charges, fines, fees, assessments and/or penalties, or other determinations, including determinations not involving applications of the Rules and Regulations, of DWSD and/or application and enforcement of these Rules and Regulations, as may be applicable.

(c) Hearing before DWSD Board

If the Appellant wishes to appeal the written determination of DWSD under Section 10.02(b) of these Rules and Regulations, the Appellant must file a written request with DWSD for a hearing within ten (10) days after the date of the written determination of DWSD under Section 10.02(f) of these Rules and Regulations was mailed. The request for a hearing shall set forth with specificity the facts upon which the Appellant is relying and shall contain a brief statement of the Appellant's reasons for the complaint. The DWSD Board shall hold a formal hearing on the appeal at the next regularly scheduled meeting that is held no earlier than ten (10) days after the filing of the Appellant's request for a hearing.

(d) Notice

A notice shall be served on the Appellant, specifying the time and place of the hearing to be held by the DWSD Board regarding the appeal and directing the Appellant to present evidence of why the determination regarding the application or enforcement of the fee, rate or charge, or determination, including a determination outside of these Rules and Regulations, of DWSD and/or application and enforcement of these Rules and Regulations, as may be applicable, is not correct. The notice of the hearing shall be served personally or by certified mail return receipt requested or by any mail delivery service that is the equivalent to or superior to certified mail return receipt requested, at least ten (10) days before the hearing. Service may be made on any agent or officer of a corporation. When an Appellant is represented by an attorney, notice of any action, finding, determination, decision or order affecting the Appellant shall also be served upon the attorney.

(e) Conduct of Hearing

At the hearing, the General Manager and the Appellant shall be entitled to present information that they feel is relevant for the DWSD Board to consider. The DWSD Board may establish rules and procedures governing the hearing. A record of the hearing shall be maintained.

(f) Written Determination

Based on the record established, the DWSD Board shall issue a written decision concerning the disposition of the dispute presented to it and shall cause notice of the decision to be hand delivered or sent by certified mail to the Appellant within fifteen (15) days after the hearing.

(g) Board of Directors Determination Final

The decision issued by the DWSD Board shall be final and binding upon DWSD and the Appellant and shall constitute the final administrative action of DWSD. Any party to the hearing aggrieved or adversely affected by an order of the DWSD Board may appeal such order to the District Court in and for the County of Douglas, pursuant to Rule 106(a)(4) of the Colorado Rules of Civil Procedure.

Appendix A – DWSD Service Plan

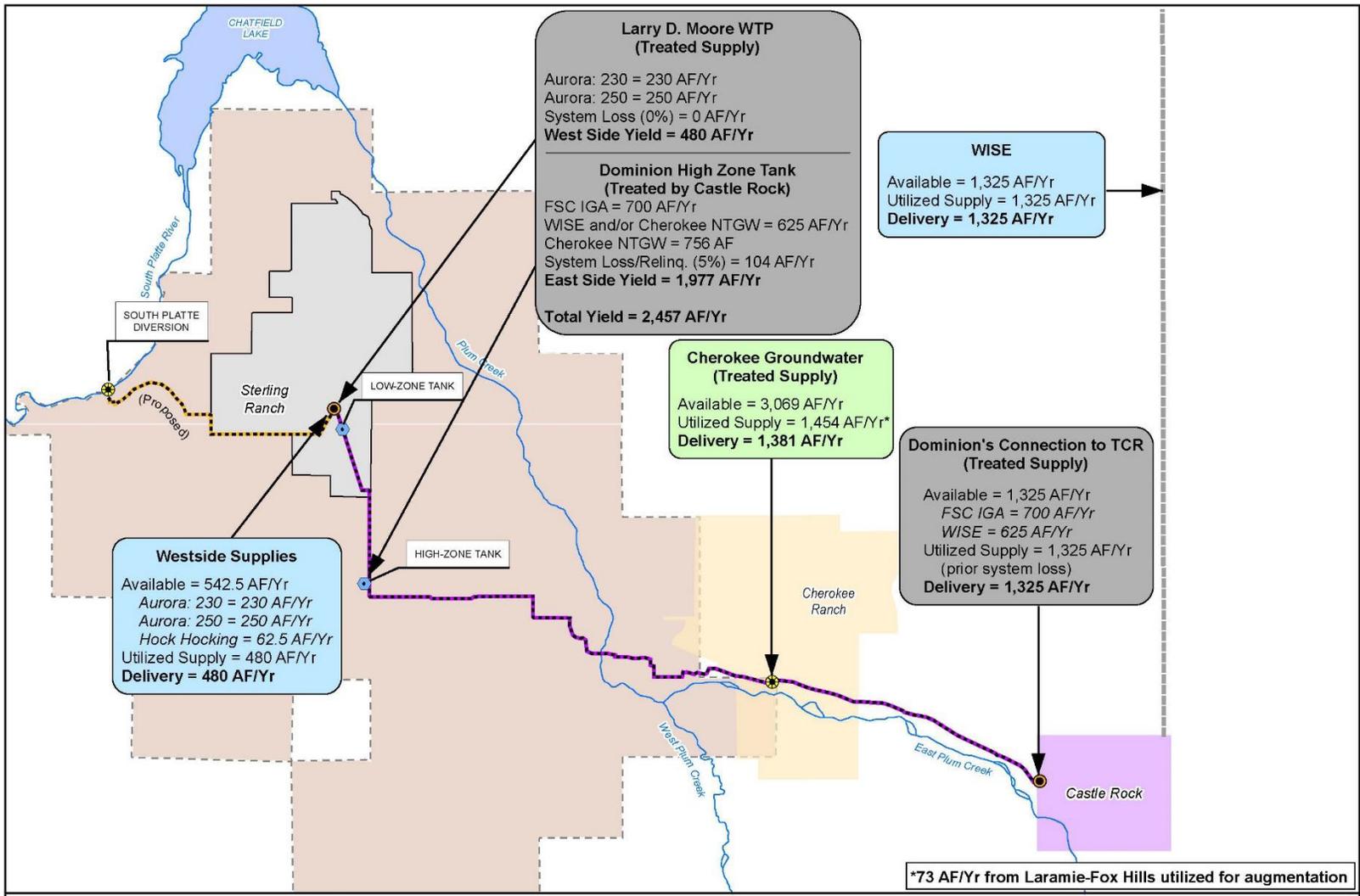
Appendix B – DWSD Water Supply Portfolio

The following describes DWSD’s water supply portfolio at the time of adoption of these Rules and Regulations. DWSD’s water supply portfolio will continue to be expanded and potentially modified from time to time. DWSD will provide an update to this Appendix should said changes to its water supply portfolio occur.

DWSD’s water supply portfolio is a robust conjunctive supply that consists of renewable water supplies as well as non-renewable groundwater supplies for drought tolerance. DWSD is committed to providing up to or exceeding 70% renewable supplies, on an average annual basis, to its Retail Districts. Specifically, DWSD’s water supply portfolio consists of the following sources of water, and as shown in Figure 22.

- Aurora 230 – Permanent, firm renewable water supply from Aurora Water in the amount of 230 AF/Y, to be delivered to the Roxborough Water Treatment Plant (Larry D. Moore WTP) for treatment either through the Aurora Water-owned Rampart system or at a diversion point on the South Platte River. This water was secured through a water trade of fully consumable water and thus is water that can be used within DWSD’s system to extinction.
- Aurora 250 – Permanent, firm renewable water supply from Aurora Water in the amount of 250 AF/Y, to be delivered to the Larry D. Moore WTP for treatment either through the Aurora Water-owned Rampart system, jointly owned Water Infrastructure System Efficiency (WISE) infrastructure, or at a diversion point on the South Platte River. This water was secured through a water trade of fully consumable water and thus is water that can be used within DWSD’s system to extinction.
- Aurora 570 – Temporary, firm renewable water supplies from Aurora Water in the amount of 570 AF/Y, to be delivered to the Larry D. Moore WTP for treatment through the Aurora Water-owned Rampart system until WISE infrastructure is completed, allowing for full deliveries of DWSD’s WISE subscription. This is a single use water source within DWSD’s system that can only be used to meet demands at Sterling Ranch CAB.
- DWSD WISE Subscription – At 1,325 AF/Y, DWSD is one of the largest original participants in the WISE project in Douglas County. WISE is a permanent renewable supply that is interruptible in nature, supporting an average of 1,325 AF/Y over a 10-year block. As an interruptible supply, WISE water deliveries can be curtailed anytime, with no deliveries possible in at most two out of every ten years. As such, additional water supplies are needed to firm WISE should such an interruption occur. DWSD has firmed 700 AF/Y of its WISE supplies through contract with Castle Rock Water (see below), and the remaining 625 AF/Y is firmed with Cherokee Ranch non-renewable Denver Basin groundwater. These conjunctive supplies can be used within DWSD’s system to extinction.

- 700 Firming Service Commitment (FSC) IGA – The 700 FSC IGA provides up to 700 acre-feet of permanent firm monthly deliveries from Castle Rock Water’s conjunctive system as back-up to 700 acre-feet of DWSD’s WISE subscription. Firming deliveries provided by Castle Rock Water are delivered through DWSD’s ERP. This conjunctive supply can be used within DWSD’s system to extinction.
- Cherokee Ranch Groundwater Supplies – DWSD owns 1,454 AF/Y of Cherokee Ranch groundwater supplies, of which 1,381 AF/Y associated with the Denver and Arapahoe aquifers can be used within DWSD’s system to extinction. All Cherokee Ranch ground water rights purchased are under conservation easements allowing them to be used as part of DWSD conjunctive use system within Douglas County. Groundwater supplies will primarily be used conjunctively as a firming supply for both the WISE system (625 AF/Y) as well as junior South Platte River water rights owned by and decreed to DWSD.
- Junior South Platte Water Rights – DWSD filed a water court application, Case No. 18CW3039, which was fully adjudicated and decreed. This water is junior in priority and includes a complex combination of direct flow rights from the South Platte River, Plum Creek and drainages on Sterling Ranch, storage in Chatfield Reservoir and three other storage reservoirs on Sterling Ranch, and numerous river exchanges, to facilitate movement of these and other water supplies within DWSD’s system. All water developed using Junior South Platte Water Rights is fully consumable water and thus is water that can be used within DWSD’s system to extinction.
- Hock Hocking – DWSD owns a junior priority to the yield of the Hock Hocking Mine Portal water supplies, with a variable yield estimated to average 62.5 AF/Y, which has been fully adjudicated and decreed. Hock Hocking water is renewable, as it is snow melt and/or recharge waters originating in the Arkansas River Basin that are subsequently intercepted by the mining tunnels and discharged to the South Platte River Basin. It is decreed as fully consumable non-tributary water and thus is water that can be used within DWSD’s system to extinction.
- Return Flows – The majority of Dominion's water supply portfolio is fully consumable allowing return flows to be reused to extinction. Return flows from those fully consumable water supplies are quantified and managed to provide raw water diverted at the South Platte Diversion for direct non-potable irrigation use and/or deliveries to the Moore WTP for potable deliveries to Dominion’s Retail Districts. Dominion’s available reusable return flows are a function of the system's reusable water deliveries to meet indoor demands, thus as indoor demands increase available reusable return flows increase. With proper management reusable return flows are a reliable and sustainable water supply.



**FIGURE 2
 DOMINION WATER
 &
 SANITATION DISTRICT
 WATER DELIVERY SYSTEM
 &
 WATER SUPPLIES**

SUPPLY POINT	DWS EASTERN REGIONAL PIPELINE	RENEWABLE
WATER STORAGE TANK	DWS WESTERN PIPELINE	NON-RENEWABLE
WATER TREATMENT PLANT	DOMINION WATER & SANITATION DISTRICT	DELIVERY
WISE SYSTEM		

LRE WATER
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 NOVEMBER 2020
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Appendix C – Rates and Fees – Placeholder

Appendix D – Engineering and Construction Standards

Appendix E – Pretreatment Program

Appendix F – DWSD Drought and Mitigation Plan

Appendix G – DWSD Conservation Plan - Placeholder