



Green Mountain Water and Sanitation District

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November 2, 2018

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13919 W. Utah Ave
Lakewood, CO 80228

NOTICE OF CONDITIONS PRECEDENT FOR SERVICE UNDER INTERGOVERNMENTAL AGREEMENT FOR EXTRA-TERRITORIAL SERVICE

Green Mountain Water and Sanitation District (“GMWSD”) is providing this Notice to the public and certain stakeholders to clarify its position regarding the future provision of sewer services to the Big Sky Service Area and the Big Sky Potential Expanded Service Area.

On May 8, 2018, GMWSD and Big Sky Metropolitan District No. 1 entered into an “Intergovernmental Agreement for Extra-Territorial Service” (the “Agreement”) which set forth certain terms and conditions under which GMWSD would provide sewer service (but not water service) to the Big Sky Service Area and the Big Sky Potential Expanded Service Area as those terms are defined in the Agreement. GMWSD intends to honor its commitments, but there appears to be some confusion regarding the status and terms of the Agreement. In particular, it has come to the Board’s attention that there have been representations made that the Agreement is a firm commitment by GMWSD to serve property in those areas.

As of the date of this Notice, the Agreement is not yet a complete and integrated definitive agreement between GMWSD and Big Sky Metropolitan District No. 1. In particular, GMWSD notes that Exhibit C to the Agreement has not yet been provided to GMWSD nor approved by GMWSD.

In addition, conditions precedent for GMWSD service in the Big Sky Service Area and the Big Sky Potential Expanded Service Area have not yet been satisfied. These conditions include, but are not limited, to the following:

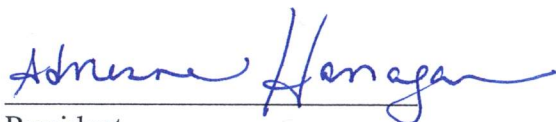
- 1) Agreements between the property owners and/or a special district of appropriate jurisdiction providing for equitable and proportionate cost recovery for certain costs as set forth in the Agreement;

- 2) GMWSD's review and approval of certain costs in its reasonable discretion that are submitted for payment;
- 3) GMWSD's review and approval of rules and regulations enacted by appropriate special districts with jurisdiction for discharge or waste;
- 4) Consent by Metropolitan Denver Wastewater Reclamation District to GMWSD providing service in the service area;
- 5) Execution and delivery of appropriate easement agreements for GMWSD access to the sewer systems;
- 6) Execution and delivery of appropriate easements for GMWSD monitoring of wastewater flow;
- 7) Confirmation by GMWSD that it has sufficient capacity and that its system is engineered properly to accept the wastewater; and
- 8) Enforceable agreements by the property owners and/or special district of appropriate jurisdiction in the extraterritorial area to be served to insure that GMWSD will be able to recover and enforce its service fee structure including system development fees, costs, rates, fines, and similar charges.

GMWSD further notes that its service plan is silent on whether or not GMWSD may serve the property in this area. GMWSD understands that the City of Lakewood and Jefferson County have jurisdiction over the GMWSD service area. To the extent that either the City of Lakewood or Jefferson County objects to GMWSD including this area in its service area, GMWSD may not be able to provide such service.

By providing this Notice to the public and appropriate stakeholders, GMWSD intends to make clear that until and unless these conditions precedent and other terms set forth above are satisfied, property owners, developers, residents, or other members of the public should not rely on GMWSD providing service in this area. If there is any doubt, the property owner or other person affected should contact the District to obtain a current letter of intent to serve before making any commitments.

FOR THE DISTRICT BOARD:



President