The Town of Johnstown continues to acknowledge that the acquisition and protection of water resources for the health and protection of its currents and future citizens is of paramount importance. Therefore, the Town adopts the following requirements and conditions:

1. Developers of new housing, commercial, or other projects must dedicate sufficient water to the Town to supply the raw water necessary to supply such projects. In certain circumstances, where the Town determines the economic benefit to the Town is sufficient, the Town may provide the necessary water for development under such terms and conditions as the Town decides.

2. The Town will continue to act to protect water rights under its control through the water court process including by filing additional cases to change the decreed use of the water where necessary and entering into other cases to protect its then existing water portfolio.

3. The Town recognizes that water rights that have been changed to allow municipal use within the current or future boundaries of the Town provide more certainty and so a greater value to the Town and so a differential in SFE and Water Court Costs is appropriate.

4. The Town will not sell or otherwise transfer any water rights it acquires through dedication or from purchase, except when necessary to fund capital improvement projects directly related to supplying water for current or future development and supplying the waste water treatment associated with those uses. However, the Town will retain sufficient water resources above the Town's annual need to assure that the Town will have adequate water supplies in times of extended drought.

5. Except as set forth in #4, above, the Town will not transfer any water outside of its ownership and portfolio unless the Town receives, at a minimum, an equivocal drop for drop yield on the water exchange.

6. The Town will maintain a water portfolio that will be greater than or equal to 1.2 times the acre foot volume treated at the Johnstown Water Treatment Plant each year.