3,400 acre master plan development in Douglas County, CO

30 minutes southwest of Denver

Zone for 12,000+ residential units and a downtown up to 7 stories

Building a 21st century community from the ground up
STERLING RANCH
HISTORICAL CONTEXT

Milestones
- 2001–2003 Negotiations for Purchase
- 2003 Contract
- 2004 Dominion Water and Sanitation District Formed
- 2006–2008 DRCOG Urban Designation
- 2008 Douglas County CMP Update
- 2009 Sterling Ranch PD submitted to Douglas County
- 2011 Sterling Ranch PD approved
- 2011–2015 Sterling Ranch PD litigated
- 2015 BOCC Approves First Final Plat; Groundbreaking
- 2016 First Lots Delivered
- 2017 Filing 1 Grand Opening
Generations X and Y Entering the Market

Baby Boomers Demanding Sustainability they can Afford, Understand, and Manage

Old Paradigms of Land Use are Disappearing

History of Underinvestment in Infrastructure
  • Water, Wastewater, Storage

Growing Economy and Private Capital Must Provide Solutions and Lead the Way Forward in Sustainability
LAND AS A LEGACY

● Building a Community Requires
  ○ Vision
  ○ Values/Principles/Disciplines
  ○ Financial Resources
  ○ Supportive Local Government
  ○ Reliable and Quality Water Supplies
  ○ Team that Shares the Vision & Values

● Water Footprint is Defining Cost and Competitive Advantage
HISTORICAL CONTEXT

Northwest Douglas County, Early 2000's

- Sustainable Water Supply Challenge
  - 700 neighbors on failing individual & community wells
  - Some trucking water
- Balance of systems exceeded water costs
- Only a large development with a municipal type system could fund infrastructure and solve

“Water Supplies are Extremely Expensive and Limited, Therefore We Must Reduce Demand and Increase Efficiency.”
• Best in Class – who does the best job of water conservation in the country?

• Holistic Approach
  • Reduce in-home demand
  • Manage landscape, irrigation, and peaking
  • Use naturally occurring water effectively
  • Colorado Water Conservation Board Study
    www.lrcwe.com

“If You Compare Yourself To Yourself Or Your Direct Competition, You Always Look Pretty Good. Breakthrough Thinking Comes From New Metrics, Usually From the Outside”
DEVELOPING SUSTAINABILITY STRATEGICALLY

Key Considerations

- Designing for people not yet born
- State and local government support for sustainability
- Water Provider rate structures/cost/reliability
- Availability of technology/internet
- Creating economically viable project to distinguish the market
  - Capital with proper time horizon
  - Builders
  - Residents
- Landscaping must be Colorado beautiful and be sustainable
WATER IS A VERY TOUGH PROBLEM

- New technologies for managing water are now available
  - Residents want to control their homes – put them in charge!
  - Dual metering
  - Instantaneous feedback to residents
  - Leak protection
  - Peaking management
  - Resident awareness and cost of water
Water Demand Management
### Individual Water Budgets

<table>
<thead>
<tr>
<th>Lot Size w/out ROW (square feet)*</th>
<th>Water Budget (gal/yr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 3,000</td>
<td>10,000</td>
</tr>
<tr>
<td>3,001 to 4,000</td>
<td>12,500</td>
</tr>
<tr>
<td>4,001 to 5,000</td>
<td>15,000</td>
</tr>
<tr>
<td>5,001 to 6,000</td>
<td>27,000</td>
</tr>
<tr>
<td>6,001 to 7,000</td>
<td>32,000</td>
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<tr>
<td>7,001 to 8,000</td>
<td>39,000</td>
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<tr>
<td>8,001 to 11,000</td>
<td>49,000</td>
</tr>
<tr>
<td>11,001 to 20,000</td>
<td>60,000</td>
</tr>
<tr>
<td>20,001 to 30,000</td>
<td>80,000</td>
</tr>
<tr>
<td>30,001 and up</td>
<td>100,000</td>
</tr>
</tbody>
</table>

*Lot size does not include the right-of-way.
FIGURE 1 WATER USE CALCULATIONS | 50 X 110 LOT

<table>
<thead>
<tr>
<th>PLANT WATER NEED CATEGORY</th>
<th>SF</th>
<th>GALS/ SF</th>
<th>GALS/ SEASON</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIGH WATER ZONES</td>
<td>784</td>
<td>20</td>
<td>15,680</td>
</tr>
<tr>
<td>MODERATE WATER ZONES</td>
<td>716</td>
<td>10</td>
<td>7,160</td>
</tr>
<tr>
<td>LOW WATER ZONES</td>
<td>617</td>
<td>6</td>
<td>3,702</td>
</tr>
</tbody>
</table>

| TOTAL GALLONS NEEDED BY ALL ZONES | 26,542 |
| TOTAL SQUARE FEET (SF) NEEDED BY ALL ZONES | 3,117 |
| AVERAGE GALS/ SF/ SEASON, ALL ZONES | 12.54 |
• On average, only 3% of precipitation returns to the stream system.

• Could capture 97% without impacting existing water rights.

• Replace the other 3% through an augmentation plan.
- Integrating stormwater management as part of a non-potable system and incorporating into land planning

- Reduce amount and extent of infrastructure needed for development & reduce homeowner’s expense

- Reduces pollutants caused by and transmitted with stormwater – improved water quality
THE WONDER OF TODAY AND A THOUGHTFUL COMMITMENT TO THE PROMISE OF TOMORROW.