



October 8, 2021

Kari Parsons, Planner III
El Paso County Development Services Department
Transmitted via the EPC EDARP Portal

Re: Grandview Reserve, Filing No. 1 (File # PUDSP2110)
Parts of the S½ of Sec. 21 and N½ of Sec. 28, Twp. 12S, Rng. 64W, 6th P.M.
Water Division 2, Water District 10
Upper Black Squirrel Creek Designated Basin

Dear Kari Parsons:

We have reviewed the October 4, 2021 referral concerning the above-referenced proposal to subdivide 189.5 acres into 568 single-family lots, an institutional parcel (for a church or similar use), and open space. This office previously provided comments on the entire Grandview Reserve PUD (containing 768.23 acres) on May 22, 2019, and on Grandview Reserve Filing No. 1 on September 16, 2021.

Water Supply Demand

According to Table 1b of the Water Resource Grandview Reserve PUD/Preliminary Plan report dated August 13, 2021 and updated September 29, 2021 prepared by HR Green LLC ("Report") and the September 29, 2021 letter from Chris D. Cummins to El Paso County Development Services, the proposed water uses for Filing No. 1 are single-family residential, use in a recreational center, and use in a church. The estimated water requirement for Filing No. 1 is 203.79 acre-feet/year based a rate of 0.353 acre-feet/year per Single Family Equivalent (SFE).

The Report also proposes the following uses for the entire Grandview Reserve development: use in 3,260 single-family residences, a school, recreation center, church, and commercial uses. The estimated water requirement for the entire development is 1,178.67 acre-feet/year based on a rate of 0.353 acre-feet/year per SFE.

Source of Water Supply

The proposed water supplier is the Grandview Reserve Metropolitan District (GRMD), which is a new metropolitan district pending approval from El Paso County. The GRMD will consist of 4 subdistricts with the initial district serving Filing No. 1. According to a letter from the GRMD to 4 Site Investments LLC dated July 20, 2021, GRMD commits to serve the entire Grandview Reserve development subject to approval of the formation of the district.

According to the Grandview Reserve Filing 1 Letter of Intent dated August 13, 2021 and the Report, GRMD will operate large capacity Arapahoe and Laramie-Fox Hills aquifer wells to meet the district's demands. The Report indicates a total of 4,434 acre-feet/year of water will be available to GRMD, consisting of the following.

1. 2,411 acre-feet/year of nontributary Arapahoe aquifer from Determination of Water Right No. 511-BD, which is partially owned by 4 Site Investments and 4 Way Ranch; and



2. 2,023 acre-feet/year of nontributary Laramie-Fox Hills water from Determination of Water Right No. 510-BD, which is owned by 4 Way Ranch.

According to the September 29, 2021 letter from Chris D. Cummins, GRMD has plans to purchase and/or control the water rights necessary to supply its present and future demands, summarized below:

1. GRMD will purchase *“140,000 acre feet of nontributary Arapahoe aquifer groundwater subject of Determination No. 511-BD (466.67 annual acre feet, based upon the County’s 300-year rule)”* (Exhibit B of the letter).

Determination of Water no. 511-BD allocated 2,615 acre-feet/year from the nontributary Arapahoe aquifer allowing municipal use by 4-Way Ranch Metropolitan District and Woodmen Hills Metropolitan District on the 8,905-acre Overlying Land. While the proposed subdivision is within the Overlying Land Area of 511-BD, 511-BD currently does not allow municipal use by GRMD. While the referral material indicates GRMD will purchase such right, in order to obtain a favorable opinion from this office on the subdivision water supply plan, evidence of GRMD’s ownership or control of the right must be provided.

2. Additionally, according to Exhibit 5 of the Report, 4 Site Investments is currently under contract to purchase: *“131,250 acre feet (437.5 annual acre feet, based upon the County’s 300-year rule) from JMJK Holdings, LLC (current owner of the bulk of the 4-Way Ranch), subject of Determination No. 510-BD, and anticipates closing on that purchase in early 2022, at which time such water rights will be made available to GRMD, further expanding its water portfolio available for provision of service to further development within the Grandview Reserve”* (Exhibit D of the letter).

Determination of Water no. 510-BD allocated 2,429 acre-feet/year from the nontributary Laramie-Fox Hills aquifer allowing municipal use by 4-Way Ranch Metropolitan District and Woodmen Hills Metropolitan District on the 8,905-acre Overlying Land. While the proposed subdivision is within the Overlying Land Area of 510-BD, 510-BD currently does not allow use by GRMD. While the referral material indicates 4 Site Investments is under contract to purchase such right, in order to obtain a favorable opinion from this office on the subdivision water supply plan, evidence of GRMD’s ownership or control of the right must be provided.

The September 29, 2021 letter from Chris D. Cummins states that both Determination of Water Right Nos. 510-BD and 511-BD allow the water to be used by the GRMD since (1) the changed allowed place of use for both Determinations approved in the Findings and Orders dated December 3, 2008 overlaps with the GRMD’s service area, and (2) because the non-municipal uses (“domestic, livestock watering, lawn irrigation, commercial, industrial, replacement, and augmentation”) allowed by the Determinations are not restricted to use by the Four-Way Ranch Metropolitan District and Woodmen Hills Metropolitan District. DWR’s response is:

- (1) Both December 3, 2008 Findings and Orders for Determinations of Water nos. 510-BD and 511-BD paragraphs 9 allow: *“municipal [use] by the Four-Way Ranch Metropolitan District and Woodmen Hills Metropolitan District”* and do not allow use by the GRMD. Therefore if GRMD will use water from Determination of Water Right Nos. 510-BD and 511-BD for municipal purposes, the Determinations must first be amended to allow municipal use by the GRMD.
- (2) If the water used by GRMD from these determinations is provided as part of district’s water provider service, then such use is considered municipal and the determinations must be amended accordingly to allow municipal use by GRMD.

According to the September 29, 2021 letter from Chris D. Cummins, GRMD's present demand is limited only to the demands of Filing No. 1. However, according to Table 2b of the Report, GRMD will use 2,712.5 acre-feet/year of its water (consisting of 1,312.5 acre-feet/year from the Laramie-Fox Hills aquifer and 1,400 acre-feet/year from the Arapahoe aquifer) for the "initial Filings" but it is not clear which filings this includes. The present demand on GRMD is not clear.

The water rights proposed to be used by GRMD are not yet owned or controlled by GRMD.

State Engineer's Office Opinion

Based on the above and pursuant to section 30-28-136(1)(h)(II), C.R.S., the State Engineer's Office has not received enough information to render an opinion regarding the potential for causing material injury to decreed water rights, or the adequacy of the proposed water supply. Prior to further review of the subdivision water supply plan the following information is required.

1. A complete summary of the water rights owned and controlled by GRMD and evidence of that ownership or control.
2. The present demand on GRMD and the anticipated demand due to commitments for service entered into by the district that are not yet supplied.
3. The amount of uncommitted firm supply GRMD has available for future commitment and development.

Note that Items 2 and 3 can also be satisfied by showing that the district currently has adequate water to supply all of its water commitments at full build-out.

Additional Comments

According to the submitted material, storm water detention structure(s) will be developed on the site. The applicant should be aware that, unless the structure can meet the requirements of a "storm water detention and infiltration facility" as defined in Designated Basin Rule 5.11, the structure may be subject to administration by this office. The applicant should review Rule 5.11 to determine whether the structure meets the requirements of the Rule and ensure any notification requirement is met.

If you or the Applicant have any questions, please contact Wenli Dickinson at (303) 866-3581 x8206 or at Wenli.Dickinson@state.co.us.

Sincerely,



Keith Vander Horst, P.E.
Chief of Water Supply, Designated Basins

Ec: Referral No. 26508
Upper Black Squirrel Ground Water Management District