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January 11, 2021

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Re: Saddlehorn Ranch Subdivision – Preliminary Plan

Dear Ms. Ruiz:

This firm represents the Upper Black Squirrel Creek Ground Water Management District (“the District”). Applicant, ROI Property Group, LLC, provided materials in support of its application for a Preliminary Plan for its proposed Saddlehorn Ranch subdivision development. Saddlehorn Ranch is located within the District and, as explained in the Applicant’s application, will consist of 218 residential lots on 817 acres, with lots sizes of 2.5 acres or greater. The District reviewed the Applicant’s application materials and submits the following comments:

The District’s Regulations on Large Capacity Well Use in Subdivisions

According to the Application, it is estimated that each residential home in Saddlehorn Ranch will require an average of 0.67 acre-feet of water annually. *See* Submittal Package for Saddlehorn Ranch Metropolitan District § 2.2 (Oct. 2020). This anticipated water demand violates District Rule 17.B, which limits withdrawals from large capacity wells in subdivisions. Specifically, Rule 17.B. requires that the production of all wells supplying the subdivision shall

not exceed the product of the number of single family residences, single condominium units, apartment units, single units within a multiple-dwelling unit or equivalent within the subdivision by 0.5 acre feet per year. Applicant should modify and supplement its Application with information confirming that Saddlehorn Ranch will comply with this rule.

Wastewater Treatment

According to the Application, discharged wastewater will be treated through individual on-site wastewater treatment systems. *See* Water Resources & Wastewater Report, Executive Summary (Rev'd Sep. 2020). The District has enacted a policy which encourages the use of central wastewater systems, as opposed to the use of individual septic systems, to minimize the possibility of contamination of the alluvial aquifer in the basin. The Saddlehorn Ranch subdivision is located near the Woodmen Hills Metropolitan District's wastewater treatment plant. Saddlehorn Ranch should be required to connect to this centralized treatment system to avoid the proliferation of inferior wastewater treatment through septic systems that the basin is experiencing.

Proof of Ownership of Water Supply

Saddlehorn Ranch will procure its water supply from a water service agreement with Saddlehorn Ranch Metropolitan District Nos. 1-3. The Metropolitan District in turn will obtain its water supply from two large capacity wells in the Arapahoe and Laramie-Fox Hills aquifers under well permit nos. 66937-F and 66938-F and Denver Basin determinations 458-BD and 457-BD. The Application indicates that these water rights "will be transferred" to the Metropolitan District pursuant to an agreement, *see* Submittal Package for Saddlehorn Ranch Metropolitan District § 2.3.3 (Oct. 2020), but Applicant has not provided evidence of ownership demonstrating good title to transfer the necessary portions of these water rights to the Metropolitan District. These water rights have been the subject of quiet title litigation and it is not clear Applicant maintains good title which would allow for such a transfer. Applicant should provide such proof of ownership.

Use of the Laramie-Fox Hills Aquifer

Applicant identifies the Laramie-Fox Hills aquifer as a source of its proposed water supply. The Laramie-Fox Hills aquifer contains high concentrations of total dissolved solids ("TDS"), and as confirmed by the Application, was tested in the area of the Saddlehorn Ranch to contain 547 mg/L of TDS. Often TDS levels increase further after use and discharge, raising the concern that wastewater discharge from Saddlehorn Ranch will violate Rules 41 and 42 of Water Quality Control Commission's standards for groundwater discharge specifying TDS limits of 400 mg/L in the basin. *See* 5 CCR § 1002-41; 5 C.C.R. § 1002-42.

The District is currently consulting with its engineer regarding several of the issues raised in this letter. Further technical and engineering analysis may provide the District with additional information it wishes to address in a supplement to this letter. The District reserves the right to provide additional comments at a later date founded upon information not readily ascertainable from the above-referenced application.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mirko L. Kruse', with a stylized, flowing script.

Mirko L. Kruse
for
TROUT RALEY

cc: UBSCGWMD Board of Directors