

February 3, 2021

Red Rock Acres – Summary of Petition for Inclusion

The following information has been prepared by the District to provide additional information and to address questions and comments raised at the January 27 public hearing. The Board continued the public hearing to its February 24 regular meeting for additional public input. The meeting agenda and notice will be posted on the website by Friday February 19th.

The Forest View Acres Water District has received a Petition for Inclusion that requests the inclusion of approximately 54 acres of land into the District. This land is proposed to be developed into a residential neighborhood known as Red Rock Acres, which will have a maximum of 38 lots. Two maps of the development property are attached.

If the property is included into the District, it will be subject to the District's Rules and Regulations, including the same fees and taxes paid by also District residents (in addition to the fees described below that are related to the inclusion process), and it will be eligible to receive water service from the District.

Water Rights

Under the District Rules and Regulations, the owner must transfer water rights to the District that will satisfy the water demand for the development. The owner is proposing to transfer all water rights associated with the property, which includes ground water rights in the Denver Basin Aquifers. The Denver Basin Aquifers is a general term for a series of four aquifers stacked on top of each other - the Dawson Aquifer, the Denver Aquifer, the Arapahoe Aquifer, and the Laramie-Fox Hills Aquifer.

The Arapahoe Aquifer water rights being transferred by the owner can be withdrawn through the District's existing Arapahoe Aquifer well, which will minimize any infrastructure costs for the District to use those water rights. Those Arapahoe Aquifer water rights will allow the District to withdraw an additional amount of water (approximately 14.67 acre-feet per year) through the District's existing Arapahoe Aquifer well that will be sufficient to satisfy the demand associated with the development (approximately 9.5 acre-feet per year). The transfer of these water rights to the District would also prevent any future owner of the property from drilling an Arapahoe Aquifer well in the vicinity of the District's existing Arapahoe Aquifer well.

The owner is also transferring water rights in the Dawson Aquifer. The District has an existing well in the Dawson Aquifer that is currently not in use, but the District plans to rehabilitate and use this well in the near future. The District has an existing Dawson

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well drilled and has initiated investigations into adding the Dawson source to its supply. Like the Arapahoe Aquifer water rights, the Dawson Aquifer water rights being transferred by the owner can be withdrawn through the District's existing Dawson Aquifer well, again minimizing infrastructure costs. This will provide additional water supplies for drought protection and future demand.

In addition to those water rights, the owner is dedicating the rights to the Denver Aquifer and the Laramie-Fox Hills Aquifer. These additional water rights can be used for future water supply development, including drought protection.

Costs and Fees Related to the Development

The District's Rules and Regulations require the owner to pay for all costs associated with the following:

- Any infrastructure that is necessary to serve the development, including improvements, expansions, or upgrades of the District's water system required to serve the development
 - This would include a loop from Zone 2 into Zone 1 and a Pressure Reduction Valve ("PRV") station
- Any easements or real property interests required to serve the development
- All administrative, legal, and engineering costs related to the inclusion process, including the engineering and design of the infrastructure for the development (which must be approved by the District) and the adjudication of the dedicated water rights in water court (which will be done by the District's attorney at the owner's expense).

The owner has already deposited funds in advance with the District in order to cover the District's costs to date, and they have agreed to continually replenish these funds as the inclusion process continues.

In addition to covering the costs of water service to the development, the District will receive a significant amount of fee revenue from the inclusion. First, upon inclusion the owner will pay an inclusion fee of \$3,000.00 per acre of included property (approximately \$162,000.00 for this development). Because this fee is based on the number of acres in the development, the total amount will remain the same no matter how many lots are ultimately approved by El Paso County.

Then, the District will receive a tap fee for each home that is built in the development. The District's tap fee is currently \$30,000.00. If the development is zoned for 38 lots as

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currently proposed, the District will receive a total of \$1,140,000.00 in tap fee revenue. In addition, the District will collect service fees from the new customers in the development, the same as it does with the District's existing residents.

The District will use these revenues to fund capital improvements and upgrades of the District's water system, which will provide additional water supply security and stability to the District's residents. As described below, the District has already identified several of these needs, and has developed a capital improvement plan to fund these improvements, with or without the inclusion.

Effects on Existing Infrastructure

As explained above, the owner is required to pay the cost of all infrastructure necessary to serve the development, including improvements or expansions of the existing system.

- As a part of the inclusion, the developer would be required to dedicate a parcel of land encompassing the District's existing Arapahoe Aquifer well and the associated water treatment plant. The existing parcels are very inadequate and the existing facilities cannot be upgraded on the existing plots. This would expand the site by roughly five times the current area, and will resolve an existing ambiguity of the associated legal descriptions.
- Water use is expected to be 0.25 acre-feet per home per year. If all 38 homes are approved the impact would be 9.5 acre-feet per year on the system. All current District Rules and Regulations would apply. If all 38 homes were constructed, this would be an increase of approximately 11% in total water demand.
- Water lines would be required to be extended into the property from Zone 2 and looped into Zone 1 with a PRV vault, so that a looped system will exist. This will not only provide for water service to the subdivision but add a secondary feed loop to the existing Zone 1. These lines and facilities will be constructed to the District's current Standards.
- There were numerous questions raised in the hearing regarding the adequacy of potable water storage. The District's engineer has determined that the District's potable water storage is adequate when considered in conjunction with the reliability and dependability of the source of supply. The District's engineer has recommended that the District prioritize the funding of capital improvements

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related to strengthening and diversifying the District's source of supply, rather than adding potable storage (see below).

- The District has identified a number of near-term 5-year capital improvements, mostly related to strengthening and diversifying the District's source of supply. These improvements are scheduled and needed with or without the proposed inclusion. These items include the following:
 - Continued Replacements of old existing sub-standard lines.
 - Dawson well addition and associated Arapahoe Water Plant upgrades.
 - Surface Raw Water Storage is being contemplated to extend the Upper Filter Plant run times
 - The Upper Surface Water Filter Plant is expected to require a complete re-build within 5 years.
 - Emergency Mutual Aid Interconnect

Inclusion Process and Limits of District Authority

The Board held a public hearing on the Petition for Inclusion on January 27, 2021. Many of the District's residents attended the meeting and provided comments. The Board also discussed the Petition with its consultants, and with the District residents in attendance. After hearing the comments and discussing the petition, the Board decided to provide the District residents with additional information, and to continue the hearing until the regular District meeting on February 24, 2021.

The District's authority is limited to determining whether it will provide water service to the development. The Board does not have any authority or control over land use decisions such as zoning or development density. Those issues are analyzed and resolved by El Paso County. If you have questions, concerns, or comments about land use issues such as zoning and development density, please direct those comments to the following persons:

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