



TRIVIEW METROPOLITAN DISTRICT

16055 Old Forest Point, Ste. 302
P.O. Box 849
Monument, CO 80132
(719) 488-6868 Fax: (719) 488-6565

July 22, 2022

Ms. Carmen Howard, Director
Pueblo County Department of Planning and Development
229 West 12th Street
Pueblo, CO 81003-2810

RE: Letter of Request – Pueblo County 1041 for the Stonewall Springs Reservoir Complex

Dear Ms. Howard,

First, I would like to offer my thanks to you for your, and your staff's efforts to date on Triview Metropolitan District's (Triview) 1041 permit application related to Triview's 999 acre-feet (acre-feet) of storage in and conveyance from Pueblo Reservoir. I am writing as the District Manager to formally submit our second application for a 1041 Permit from Pueblo County, concerning Triview's anticipated municipal water operations in Pueblo County downstream from Pueblo Reservoir, including but not limited to the use of the Stonewall Springs Reservoir Complex (SSRC).

Triview owns and maintains facilities that provide services including water, wastewater, stormwater, parks, and roads to a 2,590-acre service area within the Town of Monument, in northern El Paso County, Colorado. Currently, this includes more than 2,000 homes and 63 commercial customers. Triview's service area is located entirely within the Arkansas River Basin.

Historically, and presently, Triview's water supply has been derived from nonrenewable, deep aquifers in the Denver Basin formation, which are being depleted and are not a sustainable resource in the long-term. Triview owns and controls decreed Denver Basin groundwater supplies representing 3,722.4 acre-feet of annual deliverable yield.

In recent years, Triview has been actively acquiring renewable water sources to supplement its Denver Basin groundwater, and the infrastructure resources necessary to convey such renewable resources to Triview. Such acquisitions include:

- 1,057 shares of the Fountain Mutual Irrigation Company (FMIC), representing an average annual yield of approximately 739.9 acre-feet (including access to water storage in Big Johnson Reservoir);

- Approximately 40% share of the Excelsior Irrigating Company (Excelsior), representing an average annual yield of approximately 565.3 acre-feet;
- Ownership of 1,850 acre-feet of conditional water storage rights in the Stonewall Springs Reservoir Complex (SSRC) as filled with the Excelsior Ditch (with an option to purchase the remaining 200 acre-feet of storage rights), and 19,338 shares in the Stonewall Springs Reservoir Company (SSRCo), representing approximately 19,338 acre-feet of conditional storage capacity (with an option to purchase the remaining 200 shares)¹;
- Ownership of the Arkansas Valley Irrigation Company (AVIC) representing an average annual yield of at least 439.8 acre-feet; and
- Ownership of the Bale Ditch No.1 and 50% of the Bale Ditch No. 2 representing approximately 82.0 acre-feet.

All of the average annual yields of historical consumptive use water from the above sources can be used and reused to extinction in accordance with their existing or anticipated decrees under Colorado water law. These water rights vary seasonally and inter-annually and the return flows resulting from Triview's municipal water uses accrue to the Fountain Creek watershed on a continuous basis. Because of the variability of these renewable water sources, Triview entered into a contract with the Bureau of Reclamation for use of the excess capacity in Pueblo Reservoir, which is the basis for a previous 1041 Permit application submitted to Pueblo County on February 10, 2022. Triview also seeks to utilize the SSRC for storage, exchange, and conveyance of these renewable and reusable water sources, which forms the purpose of this second 1041 permit application.

Triview's SSRCo ownership interest confers approximately 1,850 acre-feet of storage in the South Reservoir of the SSRC. Triview owns the majority of the shares in SSRCo (19,338 shares), including the 1,850 Class A Shares which comprise Triview's rights in the South Reservoir, representing a total of approximately 19,338 acre-feet of water storage capacity when all phases of the SSRC project are ultimately constructed.

Construction of the South Reservoir of the SSRC was initiated by Triview's predecessor in title, Stonewall Springs Quarry, LLC, in conjunction with Fremont Paving and Redi-Mix, as reclamation for completed mining operations on that property, being a lined water storage vessel for leasing to the Arkansas Groundwater and Reservoir Association (AGRA). Triview, in conjunction with Fremont, is working to complete construction of the South Reservoir for this purpose, and provided Triview and/or its agricultural lessee AGRA is able to obtain one final building permit from Pueblo County, it is anticipated to be completed and agriculturally operational prior to the spring runoff in 2023; though, as Triview has previously committed, no municipal storage of water therein shall occur prior to Pueblo County's issuance of a 1041 permit pursuant to this application². Subsequent

¹ The South Reservoir of the SSRC is a 2,050 acre-feet private water supply reservoir that is part of the SSRC, which was decreed by the Division 2 Water Court in Case No. 16CW3093. As discussed herein, Triview owns 1,850-acre feet of storage in this vessel.

² Triview has leased its FMIC Shares, its Excelsior Shares, and up to 365-acre feet of re-usable and fully consumable effluent to the Arkansas Groundwater and Reservoir Association (AGRA), including all rights to store water in the South Reservoir, for the 2022-23 water year, with all such leases renewable until such time as Triview is legally and physically able to make municipal use of its water supplies, including the subject 1041 permitting. AGRA may seek to store water in the South Reservoir for augmentation and agricultural purposes, purposes which we understand are not subject to Pueblo County's 1041 regulations.

future phases (the Central Reservoir and the East Reservoir) will result in total maximum storage capacity of 19,538 acre-feet, decreed with an appropriation date of December 27, 2016 (Case No. 16CW3093), though the construction and use of the East Reservoir is not included in the instant 1041 Permit Application.

Triview has recently contracted with Fremont Paving and Redi-Mix for the mining activities necessary for the construction of the Central Reservoir, and anticipates engineering, design, and construction of a slurry wall to facilitate such mining activities. Mining is expected to take 5 -15 years depending upon the sand and gravel market. Ultimately the Central Reservoir will be reclaimed as lined water storage at such time mining has been completed. Triview desires to utilize its storage capacity in SSRC, and to be able to exchange or administrative trade of water between the SSRC and Pueblo Reservoir as needed, to further its efforts to replace non-renewable Denver Basin resources with renewable and reusable water supplies for the long-term benefit of its customers. Triview then anticipates the use and re-use of all fully consumable return flows and effluent resulting from a first municipal use of such fully consumable components in Triview's municipal system, with such water therefore being delivered to a first use in Triview's municipal service area via SDS, and then re-usable treated effluent resulting therefrom being again diverted, stored, and re-delivered for successive use.


Storage in the SSRC may include any of Triview's water sources. Potentially, such water supplies once stored in SSRC could be traded with other third parties or exchanged by other parties utilizing appropriative rights of exchange to the existing Pueblo Reservoir storage space of such third parties. Any water placed in storage in the SSRC might likewise be moved via various infrastructure or exchanges/trades on Fountain Creek. All deliveries into Pueblo Reservoir of Triview water supplies by administrative trade, direct exchange, or by exchange from SSRC facilities, will be either stored in Pueblo Reservoir using Triview's 999-acre-foot Excess Capacity Contract, or conveyed directly to the Southern Delivery System (SDS) via the North Outlet Works for delivery to Triview's service area. All such operations will be compliant with the terms and conditions of Colorado Springs Utilities' existing Pueblo County 1041 Permit, including compliance with the City of Pueblo Flow Management Program, and the Pueblo Recreational In-channel Diversion Decree.

We have reviewed the Pueblo County 1041 Regulations and have concluded that Triview's project does require 1041 permitting under Pueblo County's 1041 Regulations, a conclusion that was confirmed at our October 28, 2021, per-application meeting with you and your staff. Triview is supportive of the protections that 1041 Regulations afford affected communities, particularly to closely evaluate potential impacts related to projects. The property is zoned A-1, agricultural one. Triview has not submitted for a special use permit at this time based on chapter 17.140.010 (F) of the Pueblo County code; however, please advise if this should be discussed further. Triview is committed to following Pueblo County's rules and regulations to the best of its ability. If additional information is necessary, please let us know and we will provide it to you as quickly as possible.

Triview acknowledges the terms and conditions that are set forth in Colorado Springs Utilities' (CSU) 1041 Permit for the SDS, issued by Pueblo County in 2009. Triview will comply with all relevant terms and conditions in CSU's 1041 permit, including as they relate to the Pueblo flow management program downstream of Pueblo Reservoir, restriction on delivery of water into Water Division 1, and stormwater management matters. Triview is subject to the Town of Monument's municipal separate storm sewer system permit.

With this letter of request, Triview formally submits its 1041 permit application for the SSRC. Please reach out to me, Jim McGrady, at either 719-488-6868 or jmcgrady@triviewmetro.com with any questions that may arise. We look forward to continuing to work with you and your staff on this project.

Sincerely,



James C. McGrady
District Manager
Triview Metropolitan District

CC:
Chris Cummins
Caitlin Quander
Brett Gracely
Jessica DiToro