# Appendix X - 4.202 Review Criteria

A permit for the conduct of site selection and construction of major new domestic water and sewage treatment systems and/or major extension of existing domestic water and sewage treatment systems shall be approved if the Permit Authority, or in the case of an Administratively Approved Permit, the Director finds the application complies with the following criteria and the relevant criteria at Section 2.405. If the Permit Authority or the Director, as appropriate, finds that the application does not comply, the application shall be denied or may be approved with conditions:

1. **There is sufficient existing and projected need to warrant and support the proposed Project.**

   The Cherokee Metropolitan District's (CMD) North and South Well fields have detected concentrations of PFAS. The PFAS contaminated water must be treated before it can be supplied to CMDs customers due to the potential adverse health effects associated with PFAS exposure. A PFAS water treatment facility (WTF) and pipelines (Project) will be constructed to transport water from the wells to the proposed PFAS WTF. This PFAS WTF will provide the required treatment processes to remove PFAS from the groundwater sources as CMD does not have the infrastructure or treatment capability to achieve PFAS removal as explained in Appendix P 2.303 Item 5.b.

2. **New domestic water and sewage treatment systems or extensions shall be constructed in areas which will result in the proper utilization of existing treatment plants and the orderly development of domestic water and sewage treatment systems of adjacent communities.**

   The Project will not adversely affect the utilization of existing domestic water or sewage treatment facilities. The Project will not impede the orderly development of water and wastewater infrastructure in adjacent communities. The Project consists of a PFAS WTF designed to remove PFAS from CMD groundwater sources. The PFAS WTF does not require or impact nearby domestic water or sewage treatment systems. There are no existing water or wastewater treatment plants in the immediate vicinity of the Project that will be affected by the PFAS WTF. The Project supports the continued delivery of safe drinking water to CMD customers.

3. **Site selection and construction of major new water and sewage treatment facilities and/or major extensions of domestic water and sewage treatment systems will not create growth and development which is incompatible with and cannot be accommodated by the local financial capacity of the area or residents to be served.**

   The Project is intended to treat existing groundwater supplies and ensure compliance with applicable state and federal drinking water quality standards. The Project will not expand CMD's service area or induce new growth and development. The PFAS WTF will provide treatment for existing water sources that serve CMD customers and includes existing service commitments within the District.

The Project will be supported through a combination of funding sources. CMD has secured grant funding through Colorado's Emerging Contaminants in Small or Disadvantaged Communities (EC-SDC) program and plans to apply for additional funds during their January 2027 application cycle. The grant has a maximum of $30 million with a $10 million limit per application period. CMD also intends to supplement with a State Revolving Fund (SRF) loan during the January 2027 application cycle. The rest of the project costs will be supplied by CMD's existing utility revenues and saved resources, including water service charges, availability fees, and tap fees. CMD currently has $30 million in cash reserves and also generates approximately $16.8 million annually in operating revenue, plus an additional $4.0 million from tap fees and other sources. Annual operating and administrative expenses are approximately $11.0 million. The selected IX treatment system is expected to add approximately $328,000 per year in operation and maintenance costs. CMD will continue to evaluate rates and charges as needed to ensure adequate funding for operations, debt service, capital improvements, and long-term regulatory compliance.

The Project serves existing demands, does not expand the CMD's service area, and will not create growth or development that exceeds the financial capacity of the area or impose an undue financial burden on residents served by CMD.

4. **Site selection and construction of major new water and sewage treatment facilities and/or major extensions of domestic sewage treatment systems will not overburden the existing systems and current and projected future demand for the service can be met within existing and proposed capacity.**

   The Project will not overburden existing water system infrastructure. The PFAS WTF will be constructed to treat groundwater from CMDs existing North and South Well Fields and does not increase withdrawals beyond existing water supply sources. The Project is intended to restore and maintain the CMD's ability to reliably utilize the existing water sources by removing PFAS and producing drinking water that complies with applicable state and federal water quality standards.

   The PFAS WTF will have a peak day treatment capacity of 8.64 million gallons per day (MGD). The PFAS WTF is designed to provide existing and future water system demands within CMD's service commitments. The Project includes transmission pipelines, raw water storage, a PFAS WTF, finished water storage, and associated infrastructure required to convey and distribute treated water to CMD's service area. The improvements ensure that adequate treatment, storage, and conveyance capacity will be available to serve existing and future customers.

   The project provides dedicated treatment and supporting infrastructure for existing water supplies; has been designed with capacity to achieve existing and projected demands; and will not overburden the existing system.

5. **The activity will not create proliferation of special districts, or overlapping of the boundaries of special districts.**

The Project will not create new special districts or result in overlapping special district boundaries. The Project will be developed, owned, and operated by CMD to serve existing customers within CMD's service area and existing service commitments. The Project does not include an expansion of CMD's service area boundaries. The Project does not require the formation of additional special districts or modifications to existing special district boundaries.

6. **The proposed activity is the best alternative available for the provision of water and/or sewer service to the geographical area affected by the proposal.**

   The Project provides safe, reliable, and regulatory-compliant drinking water supply to CMD's customers. The PFAS WTF allow CMD to continue utilizing its existing groundwater sources and associated water rights while treating PFAS to achieve compliance with applicable state and federal drinking water standards as discussed in Appendix P 2.303 Item 5.d.

   Water produced from CMD's existing well fields may not be provided as potable water without the addition of the PFAS WTF due to PFAS contamination. Developing new water sources or acquiring replacement water supplies is costly, less reliable, and limits CMD's ability to utilize the existing water rights. The PFAS WTF allows CMD to continue use of the existing groundwater sources while ensuring the water is safe for domestic use.

   The Project is important during periods of drought and water supply shortages. Maximizing the use of the existing water resources is critical to maintain reliable water supply to customers. The Project provides a practical, cost-effective, and sustainable solution for meeting the drinking water needs of the affected service area.

7. **Economic impacts including, but not limited to, taxable property, agriculture, NPDES permitted facilities, and recreation related to the proposed activity have been identified and will be compensated for or mitigated.**

   The Project will not result in significant adverse economic impacts to taxable property, agricultural operations, National Pollutant Discharge Elimination System (NPDES) permitted facilities, or recreational resources.

   The PFAS WTF will be constructed on CMD owned property. Treated water will be conveyed south along Ellicott Highway and west along Colorado Highway 93 (CO-94) to the Ellicott Springs Subdivision service area and the CMD service area. The pipelines will follow existing roadway corridors and will cross private property in easements where required. CMD will obtain required easements and access rights.

   Temporary construction-related impacts to private property and agricultural lands will be minimized using construction best management practices. Disturbed areas will be restored to pre-construction conditions or as otherwise agreed upon with affected property owners. The Project is not expected to adversely affect known NPDES permitted facilities or recreational resources.

The Project will provide a public benefit by restoring and maintaining a safe, reliable drinking water supply through the removal of PFAS from the CMDs existing groundwater sources. Temporary economic impacts associated with construction will be minimal and will be mitigated.

8. **To the extent feasible, wastewater and water treatment facilities shall be consolidated with existing facilities within the area. The determination of whether consolidation is feasible shall include but is not limited to the following considerations:**

***a. Whether there is an opportunity for consolidation.***

***b. The environmental, financial and social feasibility of consolidation.***

There is no practical opportunity to consolidate the Project with an existing WTF. The project is intended to treat groundwater from CMD's existing North and South Well Fields using ion exchange (IX) technology specifically designed for PFAS removal. No existing treatment facilities within the near vicinity have the available capacity, infrastructure, or site area necessary to accommodate the required IX treatment equipment, chemical storage systems, storage tanks, and associated support infrastructure.

Consolidation requires modification of existing facilities, transmission infrastructure, and capital investment while providing limited operational, financial, or environmental benefit. Locating the PFAS WTF as a standalone facility near the existing water supply sources minimizes raw water conveyance requirements, improves operational efficiency, and provides a dedicated treatment process sized to meet CMDs water system demands.

Consolidation with an existing WTF is not feasible based on site, operational, environmental, and financial considerations.

9. **The Project shall emphasize the most efficient use of water, including the recycling, reuse and conservation of water. The determination of whether the Project emphasizes the most efficient use of water may include but is not limited to the following considerations:**

***a. Whether the Project uses readily available conservation techniques.***

***b. Whether the Project recycles water to the greatest extent allowed by law.***

The Project emphasizes the efficient use of water resources by enabling CMD to continue utilizing existing groundwater supplies and associated water rights that are affected by PFAS contamination. The project maximizes the beneficial use of existing water resources and reduces the need to develop new water supplies by treating the existing groundwater sources to meet applicable state and federal drinking water standards.

The Project incorporates readily available water conservation practices through the use of enclosed transmission, treatment, and distribution infrastructure. Water will be conveyed through enclosed pipelines and will minimize water losses that may otherwise

occur through open conveyance systems. The Project does not include reservoirs or other open-water storage facilities and will not experience evaporation losses.

Information regarding CMD's water reuse practices is provided in Appendix P Documents Related to 2.303 Item 18.d. The Project does not limit existing or future water reuse opportunities and supports. The Project supports the continued efficient management of the CMDs water resources in accordance with applicable laws and regulations.

The no-build alternative prevents CMD from utilizing groundwater wells affected by PFAS contamination; reduces the availability of existing water supplies; and limits the beneficial use of existing water rights. The Project is a practical, efficient, and cost-effective means of restoring the use of the contaminated groundwater sources while ensuring compliance with applicable drinking water standards.

**10. The Project will not result in excess capacity in existing water or wastewater treatment services or create duplicate services. The determination of whether the Project will result in excess capacity or create duplicate services may include but is not limited to the following considerations:**

***a. Whether the Project creates overlapping or competing service areas.***

***b. Whether the Project differs significantly from the provider's facility plan.***

***c. Whether the Project impacts other water and wastewater permits.***

***d. Whether the activity will not create proliferation of special districts, or overlapping of the boundaries of special districts.***

The Project will not result in excess capacity or create duplicate water treatment services. The PFAS WTF will provide PFAS treatment for groundwater produced from CMD's existing North and South Well Fields and does not expand the CMD's service area or create a new water service provider.

The Project will not create overlapping or competing service areas. Treated water will be distributed solely to CMD's existing customers and service commitments. The Project will not provide water service outside CMD's established service area or existing commitments.

The Project is consistent with CMD's long-term infrastructure planning and is required to maintain regulatory compliance and ensure the continued use of existing groundwater supplies affected by PFAS contamination. The Project will improve the reliability and resiliency of CMD's water system, particularly during drought conditions when maintaining access to existing water supplies is critical. The Project does not increase water rights, create new water sources, or add treatment capacity beyond that required to treat and deliver water from CMD's existing supplies.

The Project is not expected to adversely affect other water or wastewater permits and does not require the formation of additional special districts or modifications to existing district boundaries. The project will not create duplicate services, excess treatment

capacity, overlapping service areas, or the proliferation of special districts and is consistent with the approval criterion.