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Ryan Howser
El Paso County Planning and Community Development Department
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Colorado Springs, CO 80910
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ROI Property Group, LLC
2495 Rigdon Street, Napa, CA 94558

Bill Guman
William Guman & Associates, Ltd.
731 North Weber St., Suite 10, Colorado Springs, CO 80903
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Re: Saddlehorn Ranch Subdivision – Final Plat

Dear Mr. Howser:

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 and Final Plat 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 previously submitted a letter concerning Applicant’s application for a Preliminary Plan for this subdivision on January 11, 2021 and February 3, 2021. Applicant has not addressed the concerns of the District expressed in those letters. The District’s concerns remain and are briefly summarized as follows:

Water Supply

According to the Application, Applicant’s water supply will be provided by the Saddlehorn Ranch Metropolitan District, which will utilize two existing wells in the Arapahoe and Laramie-Fox Hills aquifers to obtain its supply. *See* Letter of Intent at 8-9. To meet Saddlehorn Ranch’s annual demand of 146.06 acre-feet per year, these two wells would need to yield 90 gallons per minute. However, because the Arapahoe and Laramie-Fox Hills aquifers are highly confined, sustained pumping may result in a rapid decline in the potentiometric surface which may result in

a decline in well yield overtime. Given this, there is a substantial likelihood that more wells will be required in the future.

Proof of Ownership of Water Supply

Saddlehorn Ranch will procure its water supply from a water service agreement with the Saddlehorn Ranch Metropolitan District. The Metro 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 Metro District pursuant to an agreement, *see* Submittal Package for Saddlehorn Ranch Metropolitan District § 2.3.3 (Oct. 2020), but Applicant has not provided evidence that the Metro District owns or otherwise controls these water rights. Furthermore, these water rights have been the subject of quiet title litigation which further clouds the Applicant’s ownership or control of the water rights. Applicant must provide clear evidence demonstrating such ownership or control.

Use of the Laramie-Fox Hills Aquifer

Applicant identifies the Laramie-Fox Hills aquifer as part 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’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* Letter of Intent at 9. 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* Letter of Intent at 3. 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.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mirko L. Kruse', with a long horizontal flourish extending to the right.

Mirko L. Kruse
for
TROUT RALEY

cc: UBSCGWMD Board of Directors