

# **Attachment H**



August 7, 2024

Douglas County Planning Commission  
100 3<sup>rd</sup> St.  
Castle Rock, CO 80104

RE: Pine Canyon Water Appeal

Dear Planning Commission Members,

Thank you for listening to my comments last night. I hope that you have had a chance to read my previous letters on the water appeal, and if not, I hope that you will do that before making your decision next Monday. This letter has been prepared as a follow up to my comments last night and a few things mentioned by the applicant. First, I wanted to provide a review of the 2015 Colorado Water Plan as it relates to the long-term sustainability of nonrenewable groundwater resources since Mr. Eklund invoked that plan as supportive of the water supply being proposed by the Pine Canyon development and as support that the water appeal should be approved. I think it is clear from the references below that the plan **does not in fact provide that support** for development based solely off of a nonrenewable groundwater supply. In fact, the plan clearly indicates in many locations that water providers should be transitioning to a renewable water supply during normal hydrologic conditions and saving nonrenewable resources as drought supplies. In particular, I draw your attention to the highlighted language from the plan.

“Replacement of municipal water supplies that depend on the non-renewing Denver Basin aquifer and declining water levels in designated basins is becoming critical, exacerbated by continued growth in groundwater-dependent urban areas.”, page 3-4

“Notwithstanding the recent construction of Reuter-Hess Reservoir, the lack of new major water storage in recent decades has led to reliance on non-renewable groundwater in Douglas and Arapahoe Counties. Strong economic and population growth in these counties, coupled with the lack of surface water supplies, has led to the need to develop renewable surface-water supplies and additional water storage for the south metro area.”, page 3-14

“In some aquifers, such as those in the Denver Basin, the natural recharge rate is very low compared to extraction rates, so groundwater is considered a nonrenewable resource.”, page 4-4

“In response, the Arkansas Basin is considering conjunctively using tributary and nonrenewable sources to alleviate the effects of reduced yields from climate change, as well as the potential dry-up of nontributary sources.”, page 4-11

“In addition to growing water demands, Castle Rock and other communities dependent on the Denver Basin aquifer will need to replace this nonrenewable water source with a renewable one.”, page 5-17

“The roundtable identified a critical gap as the need to replace nonrenewable groundwater and augment the sustainability of designated basins.”, page 6-21

“Reduce or eliminate Denver Basin groundwater dependence for municipal users.”, page 6-21

“Reduce or eliminate Denver Basin groundwater dependence for municipal users.”, page 6-67

“Reduce or eliminate Denver Basin groundwater dependence for municipal users; and”, page 6-79

“The replacement of nonrenewable groundwater and sustainability of designated basins also represents a critical gap.”, page 6-130

“Preliminary estimates indicate that precipitation harvesting, on average, can supply as much as one-third of the irrigation demand for a typical Sterling Ranch water-wise home, further reducing Sterling Ranch’s reliance on non-renewable water supplies.”, page 6-63

“Denver Basin Aquifer resources, carry-over and terminal storage, and drought-restriction savings are options for backup water supplies that eastern slope entities would use during years when a new TMD would not be able to divert Colorado River System water.”, page 8-13

“East slope Agricultural Transfers and conjunctive use of the Denver Basin Aquifer would be used primarily for droughts and drought recovery”, page 8-19

**Approval of this water appeal would essentially be approving one of the lowest, if not the lowest water supply per house, approved for a major development in the Denver Metro region in the last several decades.** To clarify for the Commission, there is a huge difference between an actual demand that the houses will use in reality day to day, and the required amount of water supply that must be provided for a safety factor for each of those houses. In the municipal water supply business, safety factors are critical to ensuring long term service and a reliable and redundant supply. Pine Canyon Water and Sanitation District does not exist yet and has never run a water system so from that perspective it may be understandable that their proposal provides no significant safety factor in water supply which is unheard of across the industry and for existing water providers. To exemplify this issue, see the table below showing the actual water demands per house for various water providers some of which were reported by the applicant and the required water supply per house:

<b>Water Provider</b>	<b>Actual Estimated Indoor Water Usage per House</b>	<b>Required Water Supply per House</b>
Independence	0.13 acre feet	1.46 acre feet nonrenewable
Castle Rock Water	0.17 acre feet	1.1 acre feet nonrenewable + renewable water requirement
Parker Water and Sanitation District	0.17 acre feet	1.1 acre feet nonrenewable + renewable water requirement
Centennial Water and Sanitation District	0.16 acre feet	0.6 acre feet of renewable supply
Pinery Water and Sanitation District		0.55 acre feet nonrenewable (can only be 30% of total supply, 70% must be renewable)
Dominion Water and Sanitation District (serving Sterling Ranch)	0.14 acre feet	0.4 acre feet of water per house as approved in the water appeal for Sterling Ranch. Dominion requires all nonrenewable groundwater from developer + Dominion must have adequate renewable supplies to provide 70% of the water supply from renewable sources.

<p>Castle Pines North Metro District</p>	<p>0.18 acre feet</p>	<p>Must convey all nonrenewable groundwater associated with the overall property and pay renewable water fee to secure renewable water supply.</p>
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Of the water providers listed in the table, we want to focus on Independence as this is the system that the Pine Canyon development water system is modelled off of. As Pine Canyon reported, the Independence development in Elbert County has houses using 0.13 acre feet per year. Despite the fact that the houses in Independence are using 0.13 acre feet per house per year, the required water supply for the development was much higher. In fact, Elbert County’s requirements for development solely off of a nonrenewable groundwater supply are much stricter than Douglas County’s requirements, see below directly from Elbert County’s regulations.

“F. Water and Sanitation

1. In order to assure a long term water supply, and given the concern with dependence on bedrock ground water, and the difficulty in supplying future surface sources outside the urbanized areas, the following additional criteria apply to all proposed subdivisions. The Applicant shall present a water supply plan that provides for a 300-year aquifer lifespan when aquifer groundwater is the proposed water source, notwithstanding the following: (a) Residential subdivisions of homes in standard zone districts (non-Planned Unit Development) shall be designed with an assumed factor of 0.4 acre feet per year per residence.”

This means that Jehn Water Consultants calculated a water supply requirement of 448.64 acre feet for 920 homes or 0.49 acre feet per home in Independence. Even with that planned worst case actual demand, the developer was required to provide 1,345.92 acre feet to meet the 300 year requirement in the regulation or 1.46 acre feet per home. The developer actually provided a supply of 1,557.3 acre feet or 1.69 acre feet per home, see below from Jehn Water Consultants Water Supply Plan Report Independence Elbert County, Colorado dated December 14, 2016 and Updated April 18, 2017.

“Per the Guidelines and Regulations for Areas and Activities of State Interest, if Independence relies solely on ground water, it must provide a water supply to meet a 300-year aquifer life. Table 2 shows the adjustment of the decreed 100-year aquifer life amounts to the 300-year County requirement. A total of 519.1 af/yr (33% of the total water underlying the property) is available to meet demands within the Independence development and meets the County’s 300-year aquifer life.”

An additional point of reference is Bell Mountain Ranch located just south of Castle Rock. This development only has about 320 homes. The nonrenewable groundwater supply provided for this development was 570 acre feet or 1.78 acre feet per home. Yet 30 plus years later, the residents have essentially invested their own money to become part of Castle Rock Water’s system to ensure they had a long term, renewable and sustainable water supply. More points of reference include that Douglas County has spent \$40,000 to date evaluating how two other less dense developments than the proposed Pine Canyon, Keene Ranch and Happy Canyon, can both be connected to long term, renewable water supplies just over the last two years due to concerns raised by both developments. All three of these systems (Bell Mountain, Keen Ranch and Happy Canyon) are in the Central Basin, similar to the Pine Canyon proposed development. The County agreed in the Intergovernmental Agreement with Castle Rock Water for development of the Highway 85 corridor wastewater system that any new development should have access to a renewable water supply or not be connected to the wastewater system. Douglas County has formed the Douglas County Water Commission to work with existing water providers in the County to provide a long-term water plan for the County. Approval of this water appeal is directly counter to the goals of that Water Commission.

Finally, I again want to clarify that the applicant’s presentation on slide 40 was misleading and indicated that the Colorado Department of Public Health and Environment Water Quality Control Division had somehow endorsed the water supply as meeting the Douglas County water supply water

appeal criteria of not being detrimental to the health, safety and welfare of existing and future residents. This is incorrect. Colorado Department of Public Health and Environment Water Quality Control Division does not have any legal authority to review or approve water supply for developments. They approved the site location for a wastewater treatment plant **not the water supply** based on the criteria that the wastewater plant would not have “foreseeable potential adverse impacts on public health, welfare and safety.” Castle Rock disagrees with the conclusion of Colorado Department of Public Health and Environment Water Quality Control Division on the wastewater plant, but the wastewater plant is not germane to the discussion of the water appeal and water supply.

Douglas County’s own Comprehensive Master Plan is probably more relevant and is clear in the first paragraph of the section on Water Supply, “The Denver Basin alone (a non-renewable resource) cannot sustain the population’s water needs long-term.” How can a water supply that cannot sustain a population’s water needs long-term not be detrimental to the health, safety and welfare of the present and future inhabitants of the County?

Sincerely,

Signed by:  
  
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Mark Marlowe, PE  
Director Castle Rock Water

CC: BOCC  
Town Council  
Curt Weitkunat, AICP  
Doug DeBord, County Manager  
Dave Corliss, Town Manager  
Mike Hyman, Town Attorney



August 2, 2024

Douglas County Board of County Commissioners  
100 3<sup>rd</sup> St.  
Castle Rock, CO 80104

RE: Pine Canyon Water Appeal – Response to Jehn Water Consultants, Inc. Letter

This letter has been prepared in response to the May 29, 2024, letter from Jehn Water Consultants, Inc. regarding the Pine Canyon Water Appeal. Castle Rock Water urges the Planning Commission and the Board of County Commissioners to deny the Water Appeal in accordance with 1808A.07 because it will be detrimental to the health, safety, or welfare of the present or future inhabitants of the County because the proposed development does not provide for a long-term renewable water supply, instead only a non-renewable Denver Basin groundwater supply.

The Consultant summarizes the County standard under Section 1805A.02.2 at 0.75 acre-feet/year per residence. The Pine Canyon development proposes to provide 0.273 acre-feet/year per residence of solely non-renewable Denver Basin groundwater. The County's Comprehensive Master Plan is clear in the first paragraph of the section on Water Supply, "The Denver Basin alone (a non-renewable resource) cannot sustain the population's water needs long-term (for more information on the Denver Basin see [www.douglas.co.us/water](http://www.douglas.co.us/water))." How can a water supply that cannot sustain a population's water needs long-term not be detrimental to the health, safety or welfare of the present or future inhabitants of the County?

For reference and comparison to the proposed non-renewable water supply of 0.273 acre-feet/year per residence from the new, not yet formed Pine Canyon Water and Sanitation District, no other major existing water provider in Douglas County allows new development solely off of nonrenewable Denver Basin groundwater. In fact, Castle Rock Water and Parker Water and Sanitation District require 1.1 acre-feet/year per residence of non-renewable Denver Basin groundwater be dedicated as a nonrenewable supply. While Castle Rock certainly has actual demands of around 0.25 acre-feet/year per residence for new homes, the point of requiring 1.1 acre-feet/year per residence on non-renewable groundwater is to ensure that we have a large safety factor for each house given the fact that Denver Basin groundwater is a non-renewable supply.

In addition, both Castle Rock and Parker require renewable water supplies be available or planned for any new residences. As such, new residences contribute to the long term, sustainable and renewable water supply that Castle Rock and Parker have been developing over the last two decades. This contribution is in the form of actual renewable water supply and / or a system development fee to the water provider to pay for the renewable water supplies already planned of \$31,294 (total water fees of \$38,191 for Castle Rock) and \$18,690 (total water fees of \$39,740 for Parker), respectively. The other large water provider in the County, Centennial Water and Sanitation District, does not allow new

development solely off of non-renewable Denver Basin groundwater and instead requires 0.6 acre-feet/year per residence of renewable water supply.

Collectively, existing Douglas County water providers and participants in the WISE project have invested to date over \$181M in capital dollars to purchase and construct renewable water supplies as part of the WISE project alone for our customers, knowing that the non-renewable groundwater supply in Douglas County is a non-sustainable long term supply. To date, Castle Rock has invested over \$268M in renewable water projects including WISE and is planning additional investments of \$476M in the next 20 to 30 years. It would certainly endanger the work done to develop renewable water supplies for County residents by the existing Douglas County water providers to approve additional urban level development solely off of non-renewable groundwater. That type of irresponsible development would be even more irresponsible if a water appeal was approved lowering the amount of non-renewable groundwater required for that type of development to a standard that is just over 1/5<sup>th</sup> of what Castle Rock and Parker require, even as Castle Rock and Parker also require renewable water supplies to create a conjunctive use water supply. The County's own Comprehensive Master Plan encourages new development to connect to existing water providers with long term renewable water plans and conjunctive use plans, see below.

“Objective 7-1C Support long-term water supply planning. POLICY 7-1C.1 Encourage developments to obtain service from existing water providers. POLICY 7-1C.2 Promote conjunctive-use water systems. POLICY 7-1C.3 Work with water providers to explore opportunities to bring renewable water supplies to Douglas County.”

There are numerous examples of developments in Douglas County which were approved solely off of non-renewable groundwater in the past which now present an ongoing problem and concern for Douglas County including developments in the Central Basin. One of these developments, Bell Mountain Ranch was absorbed into Castle Rock Water's system in 2022 partly to ensure access to a long term, renewable water supply. Douglas County has spent \$40,000 to date evaluating how Keene Ranch and Happy Canyon can both be connected to long term, renewable water supplies just over the last two years due to concerns raised by both developments. All three of these systems are in the Central Basin, similar to the Pine Canyon proposed development. The County agreed in the Intergovernmental Agreement with Castle Rock Water for development of the Highway 85 corridor wastewater system that any new development should have access to a renewable water supply or not be connected to the wastewater system. Finally, Douglas County has formed the Douglas County Water Commission to work with existing water providers in the County to provide a long-term water plan for the County. Approval of this water appeal is directly counter to the goals of that Water Commission.

While the remainder of the Consultants water appeal summary focuses on demand standards and non-potable reuse as reasons to approve the appeal, it does not address the primary concern which is a long-term renewable water supply for the proposed development. We do also want to point out that on page 4 of the letter prepared by the Consultant, the Consultant indicates that Colorado Department of Public Health and Environment Water Quality Control Division (CDPHE WQCD) has approved the water demand, water supplies and the potable water system in general. This is incorrect and misleading. The only approval that CDPHE WQCD has provided to the Pine Canyon development is a Site Location approval for a proposed wastewater treatment facility and a land application management plan for disposal of wastewater through land application. While disposing of reusable water supplies by irrigating non-functional turf grass may be a way to dispose of wastewater effluent without getting a discharge permit to a creek, it is not a good use of valuable reusable water supplies, especially non-renewable Denver Basin groundwater which is reusable to extinction. CDPHE WQCD has not and is not even authorized to provide approvals on drinking water supplies.

In conclusion, Castle Rock Water can provide the proposed development access to a long-term renewable water supply if the development, which is already an enclave inside the Town of Castle Rock, annexes into the Town of Castle Rock.

Sincerely,

DocuSigned by:  
  
FEA6D2E651B241D...

Mark Marlowe, PE  
Director of Castle Rock Water

CC: Town Council  
Curt Weitkunat, AICP  
Doug DeBord, County Manager  
Dave Corliss, Town Manager  
Mike Hyman, Town Attorney





July 31, 2024

Douglas County, Colorado  
Board of County Commissioners  
100 Third Street, 2nd Floor  
Castle Rock, CO 80104

RE: Response to Letter from Applicant for the Proposed Pine Canyon Development Dated September 13, 2023

Dear Douglas County Commissioners:

The Town of Castle Rock has prepared this letter in response to Mr. James Walker's letter to Douglas County dated September 13, 2023. First, it is important to clarify that Castle Rock Water staff, contrary to the information in the letter from the Applicant, would support the extension of water and wastewater services to the planned development in Pine Canyon as long as the project is annexed into the Town and develops to Town standards as many developers within Castle Rock Water's service area continue to do. This is confirmed by the recent letter to the Applicant from the Town Manager of Castle Rock, see **Attachment A**. Note that the ultimate decision as to whether the Town annexes the property where the project is proposed would be made by the Town Council after a series of public proceedings.

Locating the development within the Town is beneficial to all parties for the following reasons:

1. The area is clearly surrounded on all sides by the Town of Castle Rock, and is located inside the three-mile annexation planning area, Castle Rock Water's service territory, Castle Rock's Watershed Protection District area, and inside the Plum Creek Water Reclamation Authority service territory. See **Attachment B**. As such, development within the Town will ensure consistency for the future residents and businesses both in development standards, rules, regulations and services for the good of both the future Pine Canyon residents as well as the current residents of Castle Rock.
2. Castle Rock Water can provide Pine Canyon with immediate connections to a long term, **renewable and sustainable** water supply at a cost that is and continues to be competitive across the entire South Metro region and for which developers and home builders both local and national have been successful in developing and building. Douglas County is focused on the importance of having long term renewable and sustainable water supplies for its residents as shown with the current County Water Commission initiative. Castle Rock Water can ensure this is not an issue for the proposed Pine Canyon development.
3. Castle Rock Water has wastewater treatment capacity and connectivity to the Pine Canyon development for wastewater treatment at a competitive price through Plum Creek Water Reclamation Authority, and in fact, that wastewater treatment capacity was developed as part

of the plan to eventually serve the proposed Pine Canyon development. This will also avoid the development of a small wastewater treatment plant, which will negatively impact nearby residents and recreation along one of the most used, beautiful and popular trails in Castle Rock. We do not think it serves either the residents of unincorporated Douglas County or Castle Rock to have an unnecessary, odor-omitting sewer plant operated by first-time developers located in the middle of the Castle Rock community.

4. Castle Rock Water previously worked with the Applicant in developing aspects of their water efficiency plans and continues to be willing to help the Applicant to hone this plan to be as cost effective and efficient as possible.
5. Castle Rock Water can provide water and wastewater services for the development at competitive rates as we have for all of the current and ongoing development within the Town, see **Attachment C**. This will avoid the Applicant having to develop and build their own Water and Sanitation District and facilities at considerable capital and operational expense that will be borne by the residents of the project. It has been shown time and time again that small water and sanitation districts struggle over the long term with infrastructure, water quality and adequate financial resources to operate (e.g., Sedalia and Louviers which Douglas County has had to provide funding to both recently and Bell Mountain Ranch which Castle Rock Water agreed to incorporate into our system to ensure their long-term sustainability).
6. Castle Rock Water can provide full stormwater service to the proposed development without the need to create confusion on which jurisdiction is responsible for the stormwater running off and through the site.

Renewable water supply continues to be a primary concern for the proposed development. The Applicant notes that they have created a set aside fund for the purchase of renewable water in the future. While this is a good initial step, this does not provide a plan to actually purchase and construct a renewable water supply. The amount shown in the set aside fund is very low given the small size of the development and the cost of renewable water supplies and infrastructure. Dominion Water and Sanitation District, the wholesale provider for Sterling Ranch, was required to provide and implement a full renewable water plan prior to proceeding with their development. Douglas County has developed a full Water Commission for the County due to concerns over long term renewable water supplies. The Applicant should be required to identify the renewable supplies, have contracts and infrastructure in place to bring this supply to the development, and provide and commit financially to a full and implementable plan for renewable water supply. Allowing a groundwater draining project in the middle of the Castle Rock community unnecessarily harms the groundwater rights of the existing thousands of Castle Rock Water users who are of course also Douglas County residents. As a side note, the Applicant indicates that their renewable water plans were reviewed and approved by Colorado Department of Public Health and Environment (CDPHE). This is not the case as CDPHE only reviewed and approved the wastewater treatment plant site application. The Water Quality Control Division of CDPHE has no review and approval authority as it relates to renewable water supplies, and the Town Council has not reviewed or approved any permits for the water supply system.

The two renewable water projects mentioned by the Applicant in their letter responding to Castle Rock Water's comments are currently estimated to be very expensive. Castle Rock Water is partnering with Parker Water and Sanitation District (Parker) on the Platte Valley Water Partnership (PVWP). There is not excess water supply in this project currently available for the Applicant, and the Applicant has not contracted with either Parker or Castle Rock to participate in this project. All of the water supply is committed to Parker and Castle Rock's existing and future customers. The Applicant would need to file for their own water right after contracting with Parker or Castle Rock to be able to develop any water from that supply. Further, the cost of the PVWP project is significant and the Applicant has not shown how their financial resources will allow for participation.

The RWR project is currently estimated at over \$1 Billion dollars. It is certainly not clear from the Applicant's response how they will be able to financially participate in that project. Further, the RWR

project has overwhelming hurdles to overcome even according to Douglas County's own independent legal review. The water supply has not even begun the water court or other permitting processes so it is unclear if that supply will ever truly be an available option. Castle Rock can provide the Applicant's development with a renewable water supply, and Castle Rock Water staff has agreed to serve the development if the project is annexed into the Town. Annexation solves the renewable water supply concern relative to the development.

Again, the Applicant indicates that CDPHE approved the Site Application Plan for their proposed wastewater treatment facility. This approval has nothing to do with the approval of renewable water supplies and only applies to the siting of the wastewater treatment plant. CDPHE's Water Quality Control Division has no jurisdiction over approvals of renewable water supply plans.

The Applicant states that they have presented a full conjunctive use plan to the County. To clarify, a conjunctive use plan needs to show how renewable surface water supplies will be used with nonrenewable Denver Basin groundwater to supply the development over the long term. Since the Applicant has not identified a firm renewable surface water supply, they cannot prepare a conjunctive use plan. Having some small amount of funding dedicated to renewable water supplies does not qualify as a full conjunctive use plan. It simply shows that the Applicant is saving some money to potentially develop renewable water supplies at some point in the future. It is not clear how this small amount of savings will allow for the purchase of renewable water supplies. Given the State Engineer's current stance that nonrenewable groundwater wells and decrees have a limited total volume of water available (i.e., these wells and decrees essentially expire once that volume has been used) and must be shut off once that volume has been used, a renewable water supply is even more critical for an urban density development in the County.

The Applicant goes on to say that Castle Rock has stated they will not provide water service to the development. This is not true. Castle Rock has indicated multiple times with the most recent in September 2023 (see **Attachment A**) that they will provide service if the development annexes into the Town. The Applicant's notes about statements by Council and other Town officials are taken out of context and are not related to the proposed development in Pine Canyon. The Town has never acted on any annexation petition or proposed annexation agreement from the developer.

Again, Castle Rock Water does assert that we are the only water provider close enough to serve the Applicant. The Applicant indicates that this is not true as Dominion Water and Sanitation District (Dominion) and Parker are both close enough based on their evaluation. The Applicant does not provide any cost information to confirm how service from either entity would be cost effective. Regardless, to be clear, Castle Rock Water's service area encircles the development completely, and neither Dominion nor Parker would be allowed to construct infrastructure through Castle Rock Water's service area without Castle Rock Water's express approval. Castle Rock Water will not allow any outside water provider to build infrastructure through our service area to serve development outside the Town. As such, neither Dominion or Parker are options for the Applicant to provide service to the proposed project. Again, Castle Rock Water has the capacity and would provide this service upon annexation of the project to the Town.

Switching focus to the wastewater plant, the Applicant indicates that because the Town and Castle Rock Water did not actively appeal the CDPHE site location approval for the wastewater plant that this means the Town is supportive of the site location approval. This is not the case. The Town has significant concern regarding the siting and construction of another unneeded wastewater treatment plant in the center of Castle Rock along one of the most used recreational trails in Castle Rock and within close proximity to residential development. County approval of the water appeal, and any subsequently required approvals for the project, have the recipe for a financial disaster for Douglas County metro district taxpayers. The Pine Canyon metro district taxpayers will be left with the escalating tax bill for the debt service on unneeded water and wastewater infrastructure built by first-time developers. If in the future, Castle Rock Water is needed to step in for long term water and wastewater service as we have done for other development already, the Pine Canyon water and

wastewater infrastructure will not be able to be used by the Town and will simply be a long-term cost on the future residents of the development.

With respect to the consolidation analysis done by CDPHE, the Town and Castle Rock Water do not believe that the analysis was correct. The Town through Castle Rock Water will provide wastewater service to the development as long as the development annexes into the Town. The development is within Castle Rock Water's service area and Plum Creek Water Reclamation Authority's service area and treatment capacity has already been constructed and is in place to serve the development. Any conclusion by CDPHE that consolidation is not available just because the Town is requiring annexation is wrong. Annexation does not create any unreasonable requirement on the developer. Countless developers have successfully annexed and developed within the Town and Pine Canyon can do the same. Regardless, the Town cannot allow wastewater providers, including the Applicant, to install infrastructure through or across Town-owned property which will be required for this development so consolidation and service from Castle Rock Water is the best option for the Applicant.

The Applicant has not addressed runoff or percolation into the groundwater from the proposed land application management system to the satisfaction of Castle Rock and until more details are provided and a permit has been issued by CDPHE showing the requirements for the Applicant, Castle Rock cannot fully evaluate the potential impacts to our Watershed Protection District, our water supply and our stormwater system. The differing standards that will be required in the proposed development which is surrounded by communities that are subject to Town standards to meet permit and to dispose of wastewater will create confusion and challenges with respect to outdoor watering rules and requirements. Any future residents of the Pine Canyon project that are required to use wastewater for irrigation of their private property will be subject to WQCD permit requirements imposed on the wastewater system, and will have to ensure that wastewater effluent is not sprayed onto sidewalks and driveways, or that this effluent is not overwatered onto landscaped areas causing the effluent to percolate into the groundwater. Castle Rock will be seeking an opportunity for a hearing and administrative review by CDPHE to provide Castle Rock with a forum for comment on any proposed permit for the Applicant's proposed wastewater system and how concerns related to irrigation by residential property owners and operations of the wastewater plant and other infrastructure will be handled. We will address our concerns on health and safety and the community with CDPHE's WQCD once the Notice of Authorization (permit) is issued.

The proposed project must also obtain a permit for a Matters of State Interest Permit under Title 21 of the Castle Rock Municipal Code and/or a watershed protection district permit under Chapter 4.02 of the Code. Surface water flows and alluvial groundwater flows into East Plum Creek from the proposed development are part of the Town's municipal water supply system and located within the watershed protection district boundaries. The Applicant's proposed wastewater treatment system will require the irrigation of residential and commercial properties within the development potentially impacting surface water and groundwater flows from the development discharging to East Plum Creek and all within Castle Rock's Watershed Protection District. Further, the sewer and water pipes that the Applicant proposes to use to carry water, wastewater, treated wastewater and raw water under Liggett and Front Streets will be crossing through the Town's corporate boundaries.

With regard to Douglas County Zoning Resolution 1808A, without a renewable water supply that has actually been contracted for, purchased or otherwise guaranteed to be available, the Applicant has not presented evidence that approval will not be detrimental to present and future inhabitants of Douglas County. Douglas County has agreed that renewable water is a requirement going forward for new development in the Highway 85 wastewater system project in order for that development to connect to the sewer system being constructed using American Rescue Plan Act funding because Douglas County understands the importance of this renewable water supply to the long-term health and safety of the county. This proposed urban level development should be no different in terms of its need for a long term sustainable and renewable water supply. The Applicant's water demand standard discussion still does not address any other water supply beyond nonrenewable Denver Basin groundwater. Thus, the water appeal should be denied without a confirmed, contracted and / or purchased renewable water supply.

As far as water quality is concerned for the Applicant's nonrenewable Denver Basin groundwater, the Applicant has not provided any water quality data for actual well locations. Castle Rock Water has seen issues in numerous locations where this groundwater required treatment, both in our own wells, as well as Bell Mountain Ranch and Louviers as examples. Currently, the Applicant does not have firm plans for a water treatment plant beyond disinfection to treat the water from the nonrenewable Denver Basin groundwater supply. We are assuming that the Applicant will be required to provide water to the future residents that is safe and meets secondary aesthetic standards. With annexation and development in the Town, the Applicant would not have this cost or need as Castle Rock Water currently treats all of the nonrenewable Denver Basin groundwater being used by our customers.

In conclusion, Castle Rock Water supports the proposed development plan as long as the Applicant annexes into the Town and develops to Town standards. With that annexation, the Applicant would have a renewable water supply, wastewater treatment, and potable water treatment. The Applicant would not need to develop all of this redundant infrastructure in the middle of Castle Rock and burden future citizens of Douglas County with these additional long term infrastructure costs. If you have questions, please feel free to call me at 720-733-6001.

Sincerely,

DocuSigned by:  
  
FEA6D2E651B241D...  
Mark Marlowe, PE  
Director of Castle Rock Water

DocuSigned by:  
  
A7938A42F3A848A...  
Jason Gray  
Mayor Town of Castle Rock

#### Attachments

- Attachment A: Letter confirming Town staff support for the development if annexed into the Town
- Attachment B: Various service and planning area boundaries
- Attachment C: Rates and Fees Comparisons

CC: Town Council  
Curt Weitkunat, AICP  
Doug DeBord, County Manager  
Dave Corliss, Town Manager  
Mike Hyman, Town Attorney



September 22, 2023

Kurt Walker  
Principal Project Manager  
Pine Canyon

Re: Pine Canyon proposed development

Dear Mr. Walker:

This follows up our meeting in August, 2023 attended by Kurt Walker, Jill Repella, Frank Gray and myself. At that meeting, on behalf of the Town I reiterated the Town's opposition to the development of the proposed Pine Canyon development if it was developed in the unincorporated Douglas County. For purposes of brevity and our desire to achieve a mutually satisfactory development, I will restate the Town's considerable opposition to the development if it occurs in the unincorporated Douglas County.

I indicated that Town staff could favorably recommend a Pine Canyon development meeting Town standards, laws, and policies if it was annexed into the Town of Castle Rock. I offered to put the Town's review of the pending County Pine Canyon proposal in writing and generally what it would take to get the County proposal a favorable Town staff recommendation if it were proposed to be developed in the Town. This is all with the understanding that your interest in Town views of a Town development in no way diminishes your ability to reject a Town staff review and continue to seek County approvals. It is also with the understanding that all the necessary Town and State land use review and approval process must be followed, and that Town Council, not Town staff, make final determinations on annexation, zoning and site development plans.

Our comments are based on the pending proposal before the County, the "Pine Canyon Planned Development" submittal dated March 8, 2023.

All that as prologue, if the property is annexed into the Town, Town staff can favorably recommend the proposed land uses and density, including the increase in residential units from the previously proposed 1320 units to the currently proposed 1,800 units, (obviously with matching Town zoning designations versus County nomenclature). The proposed densities and use locations are generally compatible with urban incorporated development patterns, and if annexed into the Town, the project could connect to local streets and provide for connectivity between neighborhoods.

If the development were to occur within the Town's jurisdiction, the general street layout in the proposal to the County appears appropriate, although the Town questions the cost-benefit of the proposed tunnel under I-25 and does not desire to financially participate in the permitting, construction or maintenance of the same. Similarly, without the need for either a wastewater plant or water treatment facility, those areas of the plan would need modification to different uses.

Town of Castle Rock, 100 North Wilcox Street, Castle Rock, CO 80104

Pine Canyon Planned Development Rezoning & Water Appeal [DGordis@CRgov.com](mailto:DGordis@CRgov.com)

Project File: ZR2020-010 & MI2020-009

Board of County Commissioners Staff Report Attachment H - Page 14 of 44

As previously stated, Town staff will recommend in the necessary documents not to seek exaction from the development or future metro district(s) funding for I-25 interchange improvements at Blackfeather. The County proposal currently indicates the development shall pay its pro-rata share of off-site street/transportation improvement, however these improvements likely need clarification. The Town would expect development pro-rata participation in the off-site street/intersection improvements, as currently stated in the County plan. The Master Traffic Impact Study, meeting Town criteria, would be needed to help obtain as great a specificity as possible as to what those improvements/costs would be so that there is agreement going into the project rather than disagreement at a later stage of development. Percentage or dollar caps on the amounts should be obtained to the extent possible at the appropriate stages of development. Again, our desire is to minimize cost surprises and make sure both parties are in agreement on the off-site street/transportation improvements.

Concurrent with Town annexation, the development would be required to dedicate all groundwater rights associated with the property. Based on the Water Efficiency Plan prepared for the development proposal in the Town at a density of 1320 units and the calculated demands for that level of development, it appears the development of 1800 units in the County proposal may require some additional groundwater rights to be provided to the Town per Town code (deemed "water short"). Staff can recommend payment-in-lieu of groundwater for this shortage or if additional modifications can be made to the Water Efficiency Plan that can bring calculated demands down further, perhaps the groundwater available for dedication could be stretched to cover this shortage. Staff would be happy to work through this with your team. As we have previously communicated, the development will not be required to obtain renewable water rights for the Town, but it would be required to pay system development fees including the renewable water resources fee like any other development occurring in Town.

The development would be required to comply with new Town code approved in 2022 that requires all new single family homes permitted after January 1, 2023, to utilize Coloradoscape in the front yard and less than 500 square feet of turfgrass in the backyard and other changes to landscaping covered in the Landscape and Irrigation Criteria Manual. There are significant discounts in system development fees for home builders which install both the front and backyards for new homes in accordance with the new code. This code change would likely help to further reduce the additional groundwater or payment-in-lieu of needed for the increased densities in the County proposal.

For a proposal within the Town, Town staff is willing to recommend the proposed dedication of parks and open space as set out in the County proposal. Town code does require the dedication of Public Land (PLD) that is calculated based on the density of proposed uses. The County proposal would require a total PLD area of 43.3 acres, however some of this requirement can be satisfied with the private open space that is already proposed. We assume that the proposed wastewater plant site area would be dedicated to the Town as part of the Town open space or PLD requirements. Regarding public land for future school uses, the Town is not certain of your conversations or agreements with Douglas County School District for the 12.7 acre site that is currently proposed in the County. Town staff would seek confirmation from the School District that their needs are met with the proposed plan, and would not seek additional school land beyond what the School District is requesting. Upon current review of the proposal, if this development were to be annexed into the Town, the PLD requirement can be met.

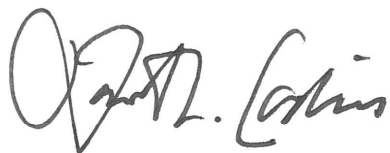
The Town is certainly open to purchase of additional desirable open space in the forested areas of the development, but Town staff would not make acquisition beyond what is set out in the County proposal a requirement for Town development.

In summary, this letter is intended to clarify that Town staff could favorably recommend a Pine Canyon development meeting Town standards, laws, and policies if it was annexed into the Town of Castle Rock.

100 North Wilcox Street Castle Rock, CO 80104

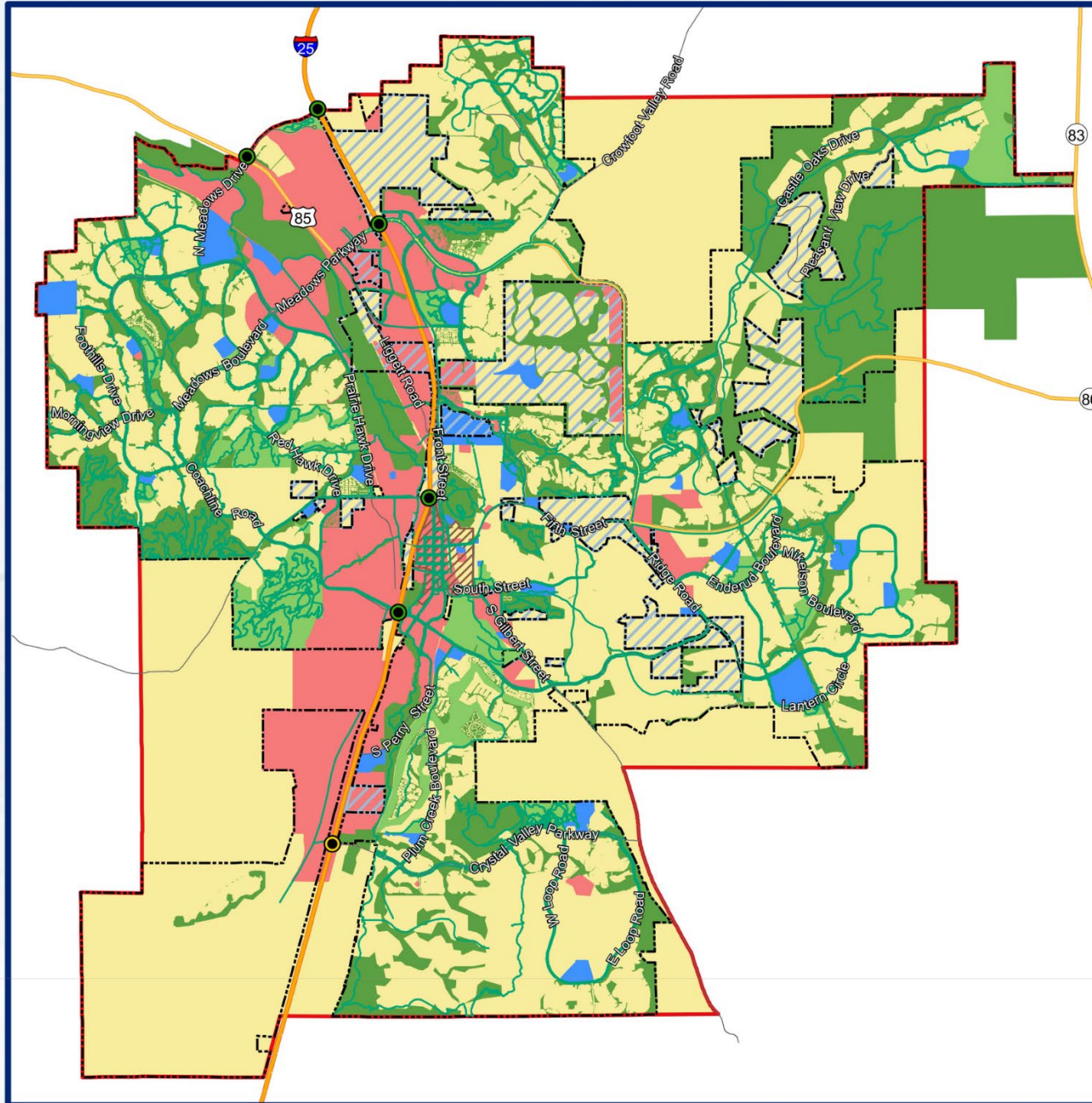
This letter is not an endorsement of the current urban development proposal in unincorporated Douglas County. We appreciate the opportunity to continue to discuss this development with you and the potential annexation into the Town.

Sincerely,

A handwritten signature in black ink, appearing to read "David L. Corliss". The signature is fluid and cursive, with a large initial "D" and "C".

David L. Corliss  
Town Manager  
Town of Castle Rock





### Future Land Use Plan

An illustration of general categories of preferred land use categories. The designations take into account current land use patterns, current zoning, the availability of public utilities, and the quality and level of transportation. The represented land use reflects future buildout beyond 2030.

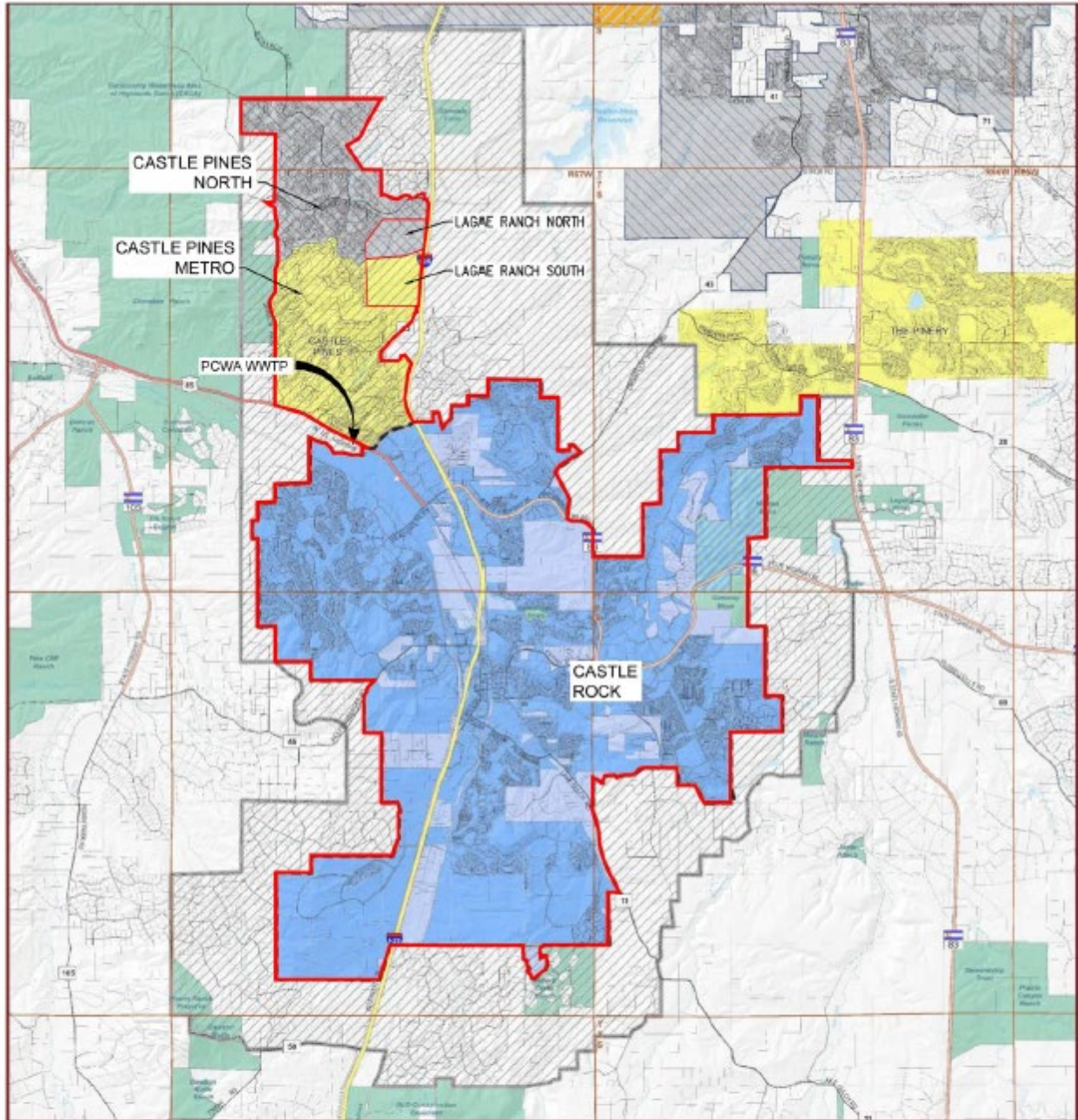
#### Legend

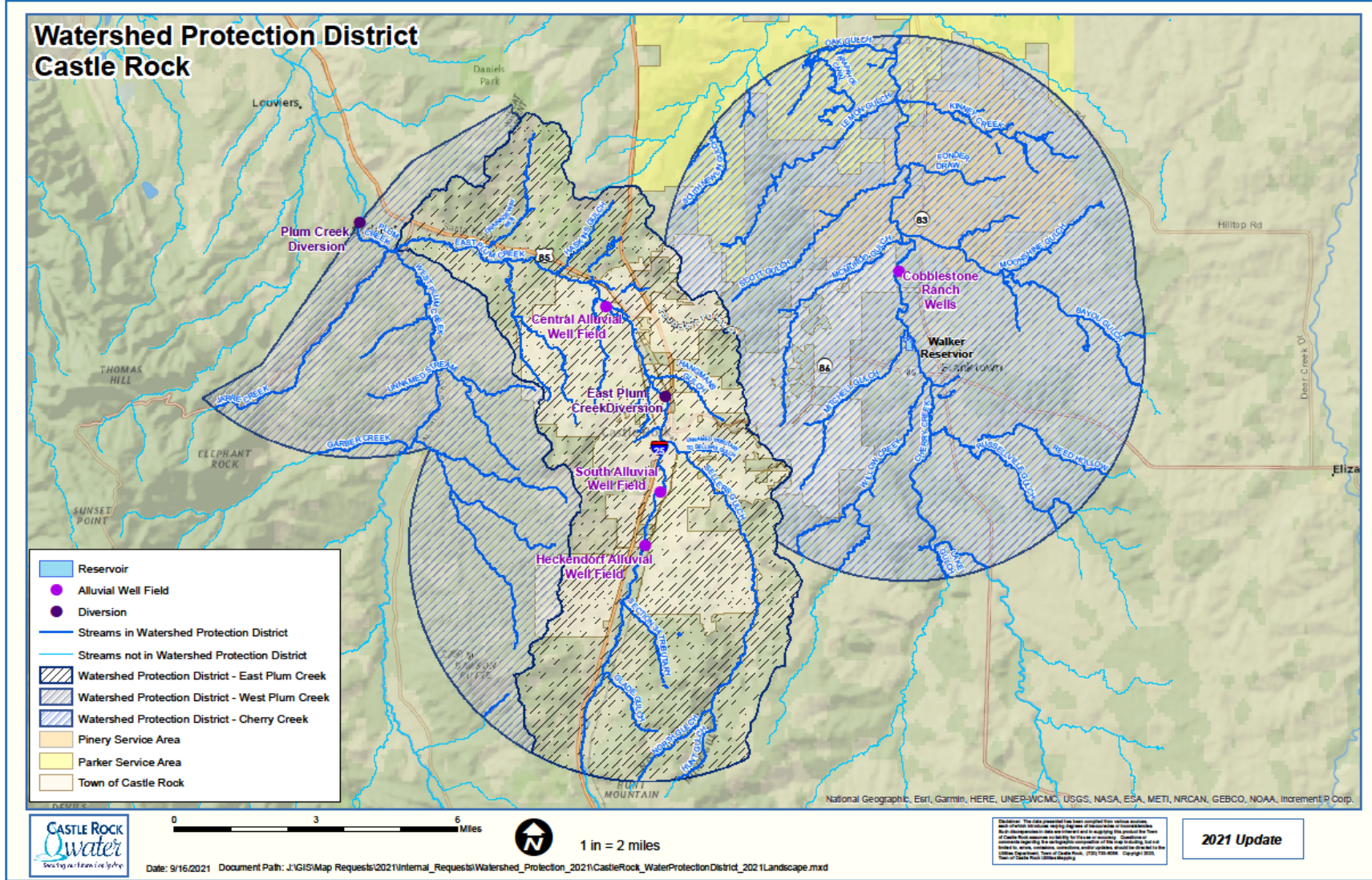
- Existing Interchange
- Future Interchange
- Town Limits
- Future Town Boundary
- Historic Downtown
- Unincorporated Enclave
- Mixed Use Area
- Open Space
- Park
- School/Church
- Residential Areas

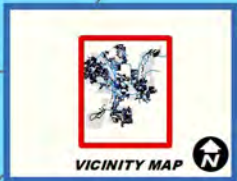
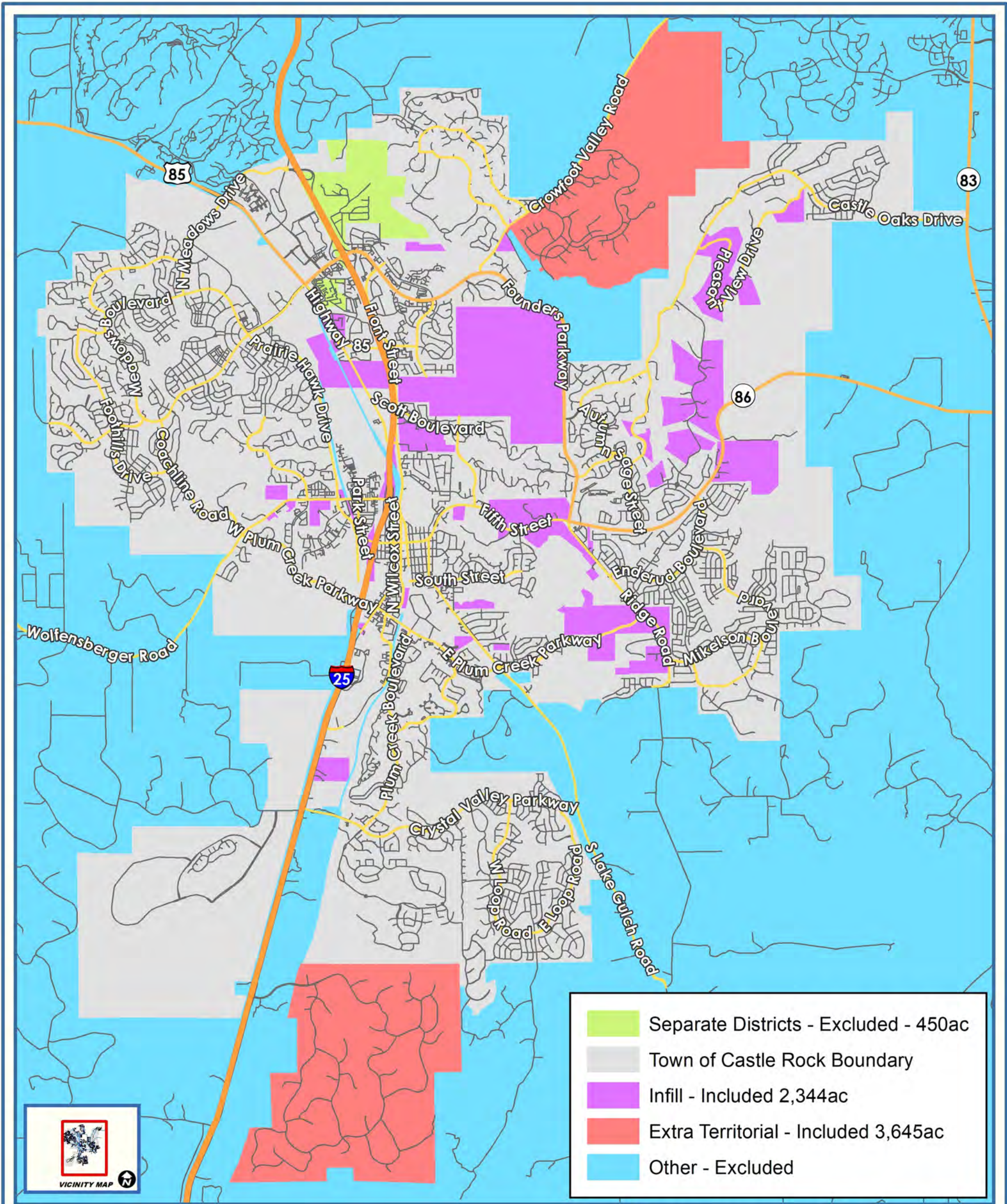


Disclaimer: The data presented has been compiled from various sources, each of which introduces varying degrees of inaccuracies or inconsistencies. Such discrepancies in data are inherent and in supplying this product to the public the Town of Castle Rock assumes no liability for its use or accuracy. For questions or comments regarding omissions, corrections, or updates please visit [CRgov.com/directory](http://CRgov.com/directory) for contact information.  
 Copyright 2017, Town of Castle Rock  
 Coordinate System: SPCS Colorado Central (0502)  
 Projection: Lambert Conformal Conic  
 Datum: North American 1983  
 Units: Foot US  
 Creation Date: 9/28/2017

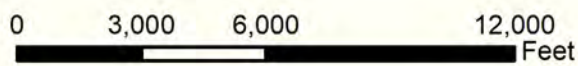
# PCWRA Service Area







	Separate Districts - Excluded - 450ac
	Town of Castle Rock Boundary
	Infill - Included 2,344ac
	Extra Territorial - Included 3,645ac
	Other - Excluded

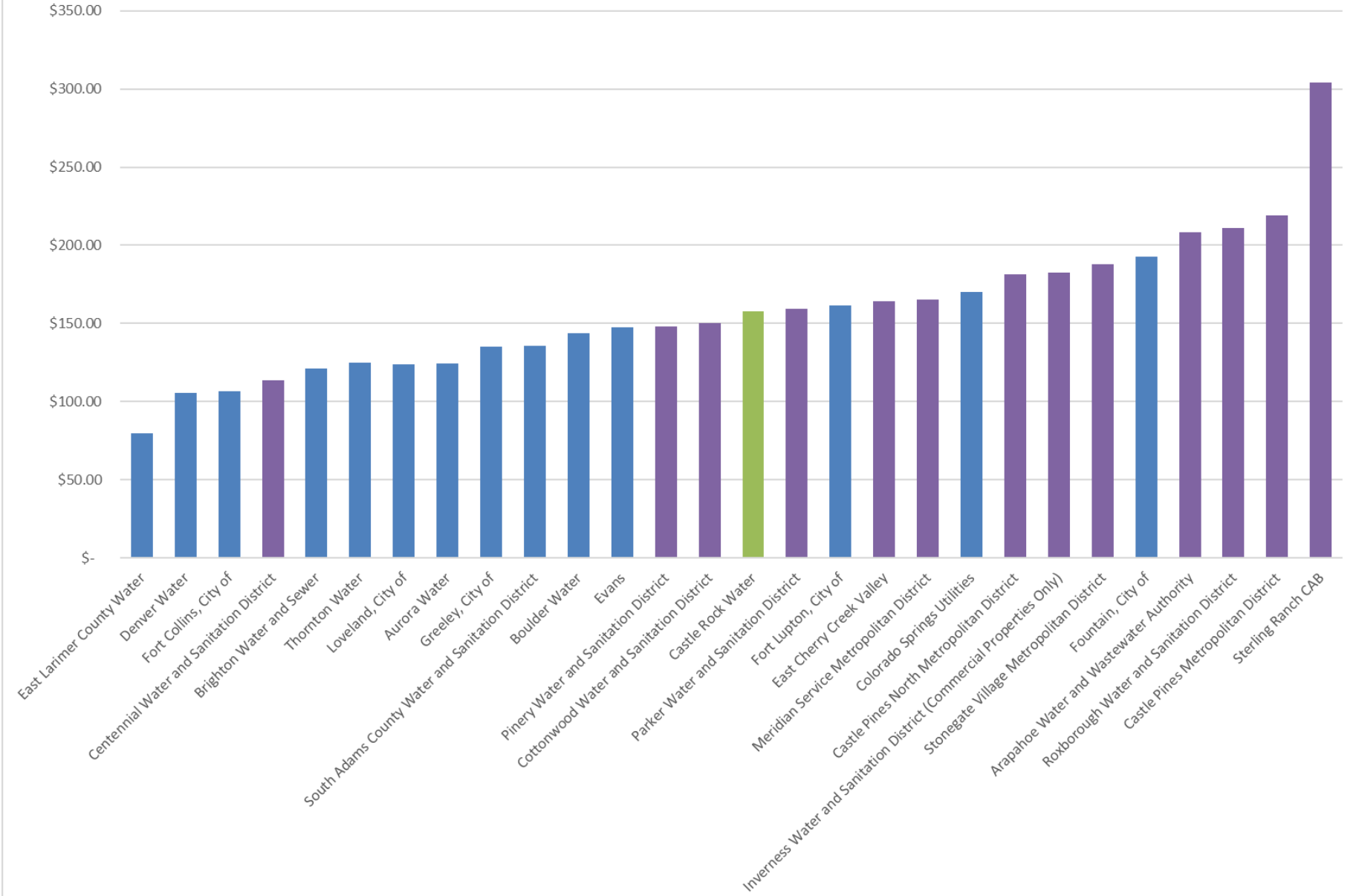


**Castle Rock Water  
Renewable Water  
Inclusion Area**



Date: 4/7/2022 Document Path: J:\GIS\Map Requests\2022\Internal\_Requests\Inclusion\_Map\InclusionMap.mxd

### 2023 Adopted Rates vs. CRW 2024 Proposed Rates Typical Monthly Summer Bill (per 15,000 gallons)

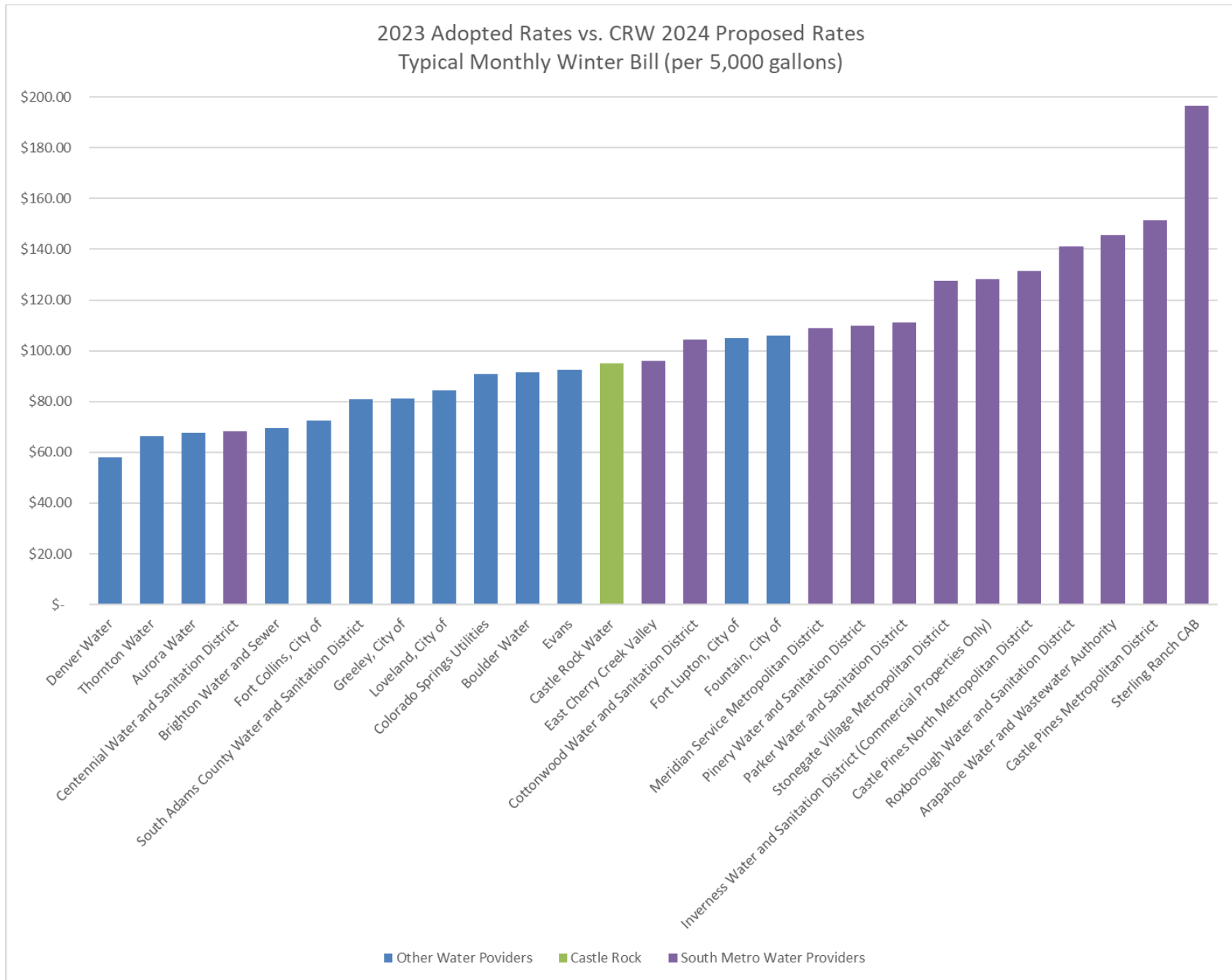


Pine Canyon Planned Development Rezoning & Water Appeal  
 Project File: ZR2020-010 & MI2020-009  
 Board of County Commissioners Staff Report Attachment H - Page 21 of 44

Other Water Providers

Castle Rock

South Metro Water Providers





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## Douglas County Referral – Consolidated Comments

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**TO:** Matt Jakubowski, AICP, Chief Planner

**FROM:** Tara Vargish, Director Development Services  
Sandy Vossler, Senior Planner, Development Services Department

**DATE:** July 11, 2024

**SUBJECT:** Pine Canyon Planned Development Proposal  
(ZR2020-010, MI2020-009, MI2022-009, SV2020-001)

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The Town of Castle Rock continues to oppose the unincorporated Pine Canyon project that is proposing urban level development in the heart of Castle Rock, on 530 acres of land located in unincorporated Douglas County and completely surrounded by the Town. While the Applicant has made minor modifications to the proposal, the merits of the application have not substantially changed, nor have any of the Town's concerns been addressed, therefore the opposition to the urban level development in the center of Castle Rock still stands.

The Town's opposition is based on the clear fact that the proposed urban level development is located within a pocket of unincorporated County that is completely surrounded by the Town. It is not possible to develop this property without causing true impacts to the Town of Castle Rock's community and infrastructure. The higher the density, the higher the impacts will be on a community that is not currently regulating this area. These impacts will burden the residents of Castle Rock with additional costs related to traffic impacts, degradation of existing roadways, odors and potential overflows from the proposed sewage treatment plant on East Plum Creek, and the future costs of supporting residents when the Pine Canyon Water and Sanitation District fails to obtain a long term sustainable and renewable water supply, or can no longer keep up with stringent regulations and infrastructure replacement and rehabilitation costs. These are real costs and actual burdens on the residents of Castle Rock and the community as a whole, that the current proposal does not address.

The Town's opposition to the currently proposed Pine Canyon Planned Development is laid out below. Thank you for your consideration:

### GENERAL

1. Although the Pine Canyon Planned Development is proposed to be located within unincorporated Douglas County, it is completely surrounded by the Town, and within the Town's 3-Mile annexation area required to be designated by the Colorado Annexation Act. See C.R.S. 31-12-105(1)(e)(I).
2. The proposed location also is designated as a Municipal Planning Area in the Douglas County Comprehensive Master Plan, which designation shows that the Pine Canyon Planned Development area

DEVELOPMENT SERVICES DEPARTMENT

100 North Wilcox Street Castle Rock, CO 80104 P: 720.733.3556 F: 720.733.2217 E: svossler@crgov.com

is of mutual concern between the County and the adjacent municipality, and encourages annexation and development of this area within the adjacent municipal jurisdiction. Contrary to these policies, the Applicant submitted, but withdrew an annexation proposal to the Town before it could be considered by the Town Council. Under the Colorado State Statutes and County PD regulations, the County cannot approve any PD unless it is consistent with the Comprehensive Plan.

## **TRANSPORTATION**

1. Constructing an unincorporated urban level community in the middle of the Town will cause negative impacts on the surrounding area, including Town roadways, open space, parks and trails, and existing neighborhoods located within the Town limits.
2. The Application does not include even a draft of an Agreement that specifies the responsibility of the Applicant to provide public services, infrastructure and impact mitigation.
3. The Application states that the Pine Canyon Planned Development will add 22,054 daily vehicle trips per day to Town-owned roadways within the immediate vicinity of the Development, a number which Town staff believes to be grossly underestimated.
4. The true impacts to the Town's existing roadway system are inaccurately projected, and the Applicant has not made any commitment to the Town to mitigate any of the development's impacts upon Town roadways and intersection controls.
5. The Town will not allow the proposed access points to Town owned roadways, as shown in the rezoning application, for this urban level development in unincorporated Douglas County.
6. The potential impacts of the Applicant's proposed mobility hub are significantly underestimated in the Pine Canyon traffic impact assessment attached to the rezoning application. The impacts of the mobility hub to the Town's existing transportation facilities have not been assessed and no mitigation has been proposed to the Town. The Applicant states in their September 2023 resubmittal to the County that they have proposed substantial transportation and trail improvements, and objective, calculated impact mitigation fees for all planned roadway connections. Please be aware that the Applicant has not reached out to the Town with any calculated impact mitigation fees for our review or consideration.

## **WASTEWATER TREATMENT**

1. The Applicant has proposed the construction of a wastewater treatment facility to serve the Pine Canyon Planned Development, which facility will discharge treated wastewater into the Plum Creek watershed. The facility would be located within Castle Rock Water's Watershed Protection District and ultimately would discharge into East Plum Creek immediately upstream of several of the Town's drinking water wells, thereby presenting risks to the Town's water supply. This location is also adjacent to the Town's most active trail system and residential development, and odors from the wastewater plant will impact the enjoyment and use of this trail system. Proliferation of wastewater treatment facilities where capacity is available at existing facilities is contrary to land use and water planning best practices.

## **WATER SUPPLY**



1. The Applicant proposes to supply water to the Pine Canyon Planned Development solely from non-renewable groundwater, a request which will set back the County's efforts to transition to a renewable water supply, and will be detrimental to the health, safety, and welfare of the present and future inhabitants of the County. Even though the Applicant has promised to collect a small renewable water fee from future customers in the development, this does not provide an adequate long term sustainable, renewable water plan.
2. The non-renewable groundwater supply proposed by the Applicant: (i) is of unknown real capacity and based solely on paper water decrees; (ii) does not include a safety factor of excess non-renewable supply; (iii) is not supported by any sampling data or information showing quality, and (iv) incorporates a plan to reuse wastewater effluent that relies solely on the unrealistic hope that residential users will not overwater or allow lawn irrigation runoff in the streets.
3. The construction of non-tributary groundwater wells within the Pine Canyon Planned Development will interfere with the Town's non-tributary groundwater wells and its plan to utilize those wells for aquifer storage and recovery of renewable water supplies.

### **FIRE SERVICE**

1. The Applicant has not coordinated with the Castle Rock Fire Protection District to commit to a funding source for the additional facilities, equipment, personnel, plan review and inspections needed to serve the urban level Pine Canyon Planned Development.
2. The reliance on a non-renewable groundwater supply will not provide the Castle Rock Fire Protection District with a reliable long-term water source to provide adequate fire service to the future residents of and businesses within the Pine Canyon Planned Development. Because of the haphazard, inexperienced and fragile nature of the proposed water system, if the unincorporated Pine Canyon proceeds, the Town will seek to have the Castle Rock Fire Protection District exclude this development from its jurisdiction. The Town will not endanger its Town fire personnel on such a flimsy and insufficient water system in event of a fire.
3. The proposed development will require substantial and continual mitigation and maintenance to limit the potential of catastrophic wildland fire, the details of which have not been discussed with, or agreed to, by the Castle Rock Fire Protection District.

### **TRAILS AND PARKS**

1. The Pine Canyon Planned Development is proposing development of approximately 4,500-5,000 residents without a planned community recreation center, and is entirely reliant on connection to existing Town trails and sidewalks to complete linkages and provide grade-separated crossings. The Applicant has not made any commitment to the Town to mitigate any of the development's impacts upon the Town's trail system or recreational facilities.

The following major concerns were submitted Douglas County Community Development and the Applicant in April 2023, and have not been adequately addressed. Instead, the Applicant had their attorney's office prepare a letter indicating that some of these items were of no concern to them and did not need to be addressed. The

Town’s concerns and impacts are real, and these items still need to be taken into consideration by the County, and require major revisions to the current proposal before the County.

**1. Connection to Town of Castle Rock Right of Way, Trails, Easements and Construction**

The Town of Castle Rock has not approved any connections to Town-owned property for the proposed urban level development including, but not limited to roadways, right-of way (ROW), trails, and sidewalks.

The applicant has indicated that the Colorado Annexation Act at C.R.S. 31-12-105 gives them the right to force urban level development connections to roadways owned by the Town. This is not correct and in fact, the cited statutory provision makes clear that the *annexor* must allow *reasonable* access to owners adjoining an annexed parcel:

*Annexation shall not deny reasonable access to landowners, easement owners or franchise owners adjoining a platted street or alley that has been annexed and is not bounded on both sides by the municipality. C.R.S. 31-12-105(1)(g).*

Nor is the Town required to grant easements or otherwise allow the developer to construct improvements on or utilities under or on Town owned properties or rights-of-ways. This includes any construction under, over, or through Liggett Road and Front Street.

All points of connection to Town of Castle Rock roadways, right-of way (ROW), trails, etc. shown on the current version of the Pine Canyon PD under consideration by the County should be deleted. The urban level development needs to be redesigned with access solely from non-Town owned roadways, the TIS amended to reflect this, and then the PD resubmitted to both the County and CDOT for their review and consideration, as well as the Town to assess impacts to Town owned roadways.

The Applicant states in their September 2023 resubmittal to the County that they have proposed substantial transportation and trail improvements, and objective, calculated impact mitigation fees for all planned roadway connections. Please be aware that the Applicant has not reached out to the Town with any calculated impact mitigation fees for our consideration.

**2. Easements for and Construction of Water and Wastewater Facilities**

The Applicant responded in September 2023 by stating that they did not have any easements planned; however, they are proposing urban level development, primarily located on the east side of the Town-owned Front Street, and their water and wastewater facilities are proposed to be located on the west side of the Town-owned Front Street. This would require infrastructure piping to convey fresh water and sewage through pipes that would need to cross over, under or through Town-owned properties, including Liggett Road and Front Street, to connect residences and businesses to water and sanitary sewer infrastructure.

Moreover, construction and operation of any component of a domestic water and wastewater system requires a permit under the Town's Matters of State Interest regulations and/or its Watershed Protection District regulations which, in turn, cannot be issued unless the Applicant proves in an adjudicatory hearing that it has the necessary approved property rights and easements, and that all impacts of the construction and operation of the facilities have been fully-assessed and appropriate mitigation of negative impacts can and will be implemented.

The purpose of the Town's April 2023 comment was to make sure the Applicant was aware, that as currently proposed, the Town will not allow construction, infrastructure, or easements through Town-owned property for any infrastructure needed to support the urban level development in the unincorporated County. Further, the Applicant states in their September 2023 resubmittal to the County that Castle Rock Water and the Town have "chosen to accept the Applicant's CDPHE approvals", because the Town and Castle Rock Water did not actively appeal the CDPHE site location approval for the wastewater plant. This is not the case. The Town has not and cannot agree to the wastewater plant unless, or until, the Town Council issues permits for the plant and all its components.

The construction of another wastewater treatment plant to serve an area where the Town has the existing capacity to serve raises serious concerns. In addition, the plant is proposed to be located in the center of Castle Rock, along one of the most used recreational trails in Castle Rock, and within close proximity to residential development, causing serious impacts that must be assessed and mitigated regardless of any CDPHE approvals.

The wastewater plant, as configured, is also a recipe for a financial disaster for Douglas County metropolitan district taxpayers. The Pine Canyon metro district taxpayers will be left with the escalating tax bill for the debt service on unneeded water and wastewater infrastructure built by first-time developers. If in the future, it is necessary for Castle Rock Water to step in and provide for long term water and wastewater service, as the Town has already done for other unincorporated developments, the Pine Canyon water and wastewater infrastructure will not be able to be used by the Town and will simply be a long-term cost on the future County residents of the development.

The Applicant has not addressed runoff or percolation into the groundwater from the proposed land application management system to the satisfaction of Castle Rock Water, and until more details are provided and a permit has been issued by CDPHE showing the requirements for the Applicant, the Town of Castle Rock cannot fully evaluate the potential impacts to our Watershed Protection District, our water supply and our stormwater system. The differing standards that will be required in the proposed development, which is surrounded by communities that are subject to Town standards to meet permit and to dispose of wastewater will create confusion and challenges with respect to outdoor watering rules and requirements.

The Town's permitting process will allow the Applicant and the public to identify and respond to these and other impacts of concern and to inform the Town Council's ultimate decision to approve, approve with conditions, or deny the application for the wastewater system. Castle Rock also will have an opportunity to comment on any proposed permit for the Applicant's proposed wastewater system, and how concerns related to irrigation by residential property owners and operations of the wastewater plant and other infrastructure will be handled. We will provide those comments and health and safety concerns to CDPHE, once the draft permit has been issued for comment.

The Town is requesting the following change to the PD proposal before the County: (Sheet 5 of 15) Section 3.d: Please insert new note "d." as follows:

"Per Title 21 of the Castle Rock Municipal Code, the Town of Castle Rock has jurisdiction over the site selection, construction or expansion of domestic water and sewage treatment systems located, wholly or partially, within the Town's Watershed Protection District, as depicted on the Town Watershed Protection District map. The domestic water and sewage treatment systems described in the proposed Pine Canyon Planned Development are located within the boundaries of the Watershed Protection District. Accordingly, the Owner must apply for and be issued a Matters of State Interest Permit by the Town of Castle Rock as a

prerequisite to the site selection and construction of all domestic water and sewage treatment systems described in the proposed Pine Canyon PD.”

### **3. Off-site Roadway Improvements and Traffic Impacts**

The Town continues to be seriously concerned about impacts to the Town’s transportation network from this proposed urban level development in the heart of Castle Rock. The property is completely surrounded by the Town of Castle Rock, therefore, all of the site generated traffic will drive on and impact the Town’s roadways and community. The off-site roadway impacts of this proposed urban level development will occur within the Town’s jurisdictional boundaries, and no mitigation has been proposed to the Town for consideration.

The Applicant states in their September 2023 resubmittal to the County that they have proposed substantial transportation and trail improvements, and objective, calculated impact mitigation fees for all planned roadway connections. Please know that the Applicant has not reached out to the Town with any calculated impact mitigation fees for our consideration. Importantly, the impacts to the transportation network of the project will be taken into account as part of the Town’s permit process.

Furthermore, the Applicant’s attorney proposes that the Matters of State Interest do not apply, as the development is occurring outside of the Town’s boundary. The off-site roadway impacts of this proposed urban level development will occur within the Town’s jurisdictional boundaries, and no mitigation has been proposed to the Town for consideration.

As already discussed throughout these comments and in previous reviews of this proposed urban level development, the Town has not approved any connections to its roadway system and is concerned about impacts associated with the proposed density. The Applicant should remove all proposed road connections to Town owned roadways, and resubmit an updated Traffic Impact Study (TIS) that reflects how this development’s urban level traffic will be distributed and how it will affect the only non-Town owned roadway, Founder’s Parkway. It is clear through the documents submitted to the County that neither the County nor CDOT have seen a project TIS that accurately demonstrates the proposed project’s actual traffic impacts to the State Highway system, as Founder’s is the only potential connection for this currently proposed urban level development in the unincorporated County. Therefore, the engineering review is currently based on an inaccurate and incomplete TIS at this time.

The Town is requesting the following change to the PD currently before the County: (Sheet 5 of 15) Section 2.4.C.a: Delete list of off-site roadway improvements and revise note as follows:

“Owner, or one or more Title 32 Metro Districts, its successors and assigns shall at their expense, design and construct off-site transportation improvements as required and approved by the Town of Castle Rock through the Matters of State Interest application and permitting process. Provision of a proportionate share of improvements in-lieu of design and/or construction of off-site transportation improvements shall be at the sole discretion of the Town of Castle Rock. Offsite impacts for CDOT owned roadways shall be approved by CDOT.”

Further, the Town of Castle Rock requests that the following condition be added to the General Provisions (Sheet 6 of 15):

“5. Relationship to Town of Castle Rock Matters of State Interest:

- a. The Town of Castle Rock has adopted Guidelines and Regulations for Matters of State Interest (Ord. No. 2021-028), pursuant to the authority granted to municipalities by C.R.S. § 31-15-707(1)(b), Municipal Utilities; C.R.S. § 29-20-101, et seq., Local Government Land Use Control Enabling Act; C.R.S. § 24-65.1-101, et seq., Areas and Activities of State Interest; Colorado Constitution Art. XX, Home Rule Cities and Towns; and other such similar authority that may be granted by the Colorado General Assembly.
- b. The Town's jurisdiction applies to the following matters of state interest that are located wholly or partially within the Town's jurisdiction:
  - i. Construction of arterial highways and interchanges and collectors.
  - ii. Areas around interchanges involving arterial highways in which development may have a material effect upon the arterial highway or the surrounding community.
- c. The Town's jurisdiction extends to site selection, construction or expansion of domestic water and sewage treatment systems located wholly or partially within the Town's Watershed Protection District as depicted on the Town Watershed Protection District map.
- d. A permit approved and issued by the Town of Castle Rock is required for the following:
  - i. Development located wholly or partially within an area around interchanges involving arterial highways as designated on the Areas Around Interchanges map; provided that the average daily trip generation of such development is expected to equal or exceed two hundred (200) vehicles per day.
  - ii. Site selection of arterial highways and interchanges and collector highways located wholly or partially within the municipal boundaries.
  - iii. Site selection and construction or extension of domestic water and sewage treatment systems located wholly or partially within the Watershed Protection District as designated on the Watershed Protection District map."

#### **4. Requests to Work with Applicant**

The Town has reached out to the Applicant on several occasions between 2020 and 2024 to discuss the potential annexation and zoning of the property within the Town boundaries, allowing development to be integrated into the community, and to develop to Town standards with appropriate mitigation of development impacts. On April 11, 2023, the Mayor of Castle Rock sent a letter to Mr. Jim Walker stating "The Town continues to desire to see this development occur within the Town. The Town would like to meet with you to better understand the current needs of your development and to present to you the value and benefits of annexation." The applicant team did not reach out or respond to this request.

In August of 2023, the Town Manager met with Kurt Walker, and followed up with a letter indicating that Town staff could favorably recommend a Pine Canyon development within the Town of Castle Rock that meets Town standards, laws, and policies, if it was annexed into the Town. This letter was not an endorsement of the current urban development proposal in unincorporated Douglas County.

Instead of continuing this conversation with the Town, the applicant resubmitted to the County within that same week and included false rhetoric that the Town was not working with them, that the Town's continued opposition to the urban level development in the heart of Castle Rock was disappointing, and erroneously stating that the Town's Matters of State Interest regulations do not apply to them based on an incorrect reading of the Town's regulations, the Areas and Activities of State Interest Act, and the Annexation Act.

Cc: Dave Corliss, Town Manager  
Mike Hyman, Town Attorney  
Mark Marlowe, Director, Castle Rock Water  
Dan Sailer, Director, Public Works  
Norris Croom, Fire Chief, Fire and Rescue Department  
Jeff Brauer, Director, Parks and Recreation Department  
Terence Quinn, Director, Community Development  
Curt Weitkumat, AICP, Long Range Planning Manager



May 17, 2022

**VIA CERTIFIED MAIL ONLY:**

JRW Family Limited Partnership, LLP  
5975 E Jamison Pl.  
Centennial, CO 80112-2475  
Attn: Jim Walker, General Partner

*Re: Notice of Applicability of Castle Rock Municipal Code Title 21 regarding Guidelines and Regulations for Matters of State Interest a/k/a 1041 Regulations*

Dear Mr. Walker:

The Town of Castle Rock, Colorado (the “Town”) is aware that your partnership has filed a development application for the Pine Canyon Planned Development with Douglas County (“Pine Canyon Application”). According to the County records, the proposed development will consist of up to 515 single-family homes and 805 multi-family units, as well as flexible zoning for commercial uses estimated at 900,000 square feet of office, 130,000 square feet of retail, 208,000 square feet of light industrial, and 117,000 square feet of lodging. It is proposed that water and wastewater service to the development will be provided by a yet-to-be created water and sanitation district utilizing non-renewable groundwater and a stand-alone water reclamation facility.

The 535 acres that comprises the Pine Canyon Planned Development is located in unincorporated Douglas County and spans both sides of Interstate 25, extending from the Union Pacific Railroad on the west to Founders Parkway on the east (the “Property”). Of greater significance, however, is the fact that the Property is virtually surrounded by fully developed residential areas within the boundaries of the Town.

Please be advised that, on October 5, 2021, pursuant to the Areas and Activities of State Interest Act, §§ 24-65.1-101 to 502, C.R.S., Town Council adopted Ordinance 2021-028, which established Guidelines and Regulations for Matters of State Interest (“1041 Regulations”). The 1041 Regulations took effect on November 4, 2021, and can be found in Title 21 of the Town of Castle Rock Municipal Code (the “Code”). See also <http://www.crgov.com/3344/1041-Regulations>.

Specifically, per Section 21.01.040.A of the Code, the Town’s jurisdiction extends to the following matters of state interest that are located wholly or partially within the municipal boundaries:

1. Construction of arterial highways and interchanges and collectors.

Town of Castle Rock  
100 N. Wilcox Street | Castle Rock, CO 80104  
(303) 660-1015 | [www.crgov.com](http://www.crgov.com)

[legal@crgov.com](mailto:legal@crgov.com)

5.17.2022 | Page 1 of 2

2. Areas around interchanges involving arterial highways in which development may have a material effect upon the arterial highway or the surrounding community.

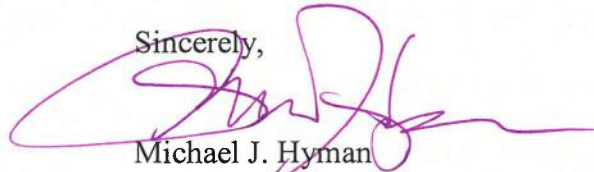
Likewise, per Section 21.01.040.B of the Code, the Town's jurisdiction further extends to site selection, construction or expansion of domestic water and sewage treatment systems located wholly or partially within the Town's Watershed Protection District as depicted on the Town Watershed Protection District map.

This letter is to notify you that, following a careful review of the Pine Canyon Application, the Pine Canyon Planned Development is subject to the Town's 1041 Regulations. Under these regulations, any person developing land in a designated area or conducting a designated activity must first obtain a permit from the Town.

Please be advised that, pursuant to Section 21.09.010 of the Code, any failure to comply with the 1041 Regulations allows the Town to enjoin the continuation of such activity and pursue any criminal or civil liability allowed under the law.

To file an application with the Town and schedule a preliminary conference to discuss the same, please contact the Town Development Services Department at 303-660-1393, located at 100 N. Wilcox St., Castle Rock, Colorado 80104.

Sincerely,



Michael J. Hyman  
Town Attorney

cc: David L. Corliss, Town Manager  
Tara Vargish, Director of Development Services  
Mark Marlowe, Director of Castle Rock Water  
Daniel Sailer, Director of Public Works

Town of Castle Rock  
100 N. Wilcox Street | Castle Rock, CO 80104  
(303) 660-1015 | [www.crgov.com](http://www.crgov.com)

[legal@crgov.com](mailto:legal@crgov.com)

5.17.2022 | Page 2 of 2



## **Pine Canyon TIA Comments (9/10/2021)**

The material received from the County is incomplete. The submittal is lacking a PDP and all supporting land use documents required for a complete review. Without the additional documents, the comments below are only preliminary and the Town reserves the right to provide additional comments when a complete submittal is provided. This includes comments on the TIA and any other submittal documents.

Furthermore, the Town also reserves the right to provide additional comments upon viewing comments provided by CDOT. To date, the Town has not reviewed any comments by CDOT regarding this development proposal.

**With that stated, the Town of Castle Rock will use lawful means available to oppose any connections or access to any Town-owned streets or right-of-way (ROW) from this proposed unincorporated urban level density development.** This also includes any proposed under/overpasses crossing Town ROW. The TIA needs to be revised with this change in roadway connections. The Town also recognizes that, due to the proposed development's location, it will heavily impact Town streets as motorists from the new development travel between their origins and destinations within the Town. Therefore, the Town is requiring that the TIA needs to identify, analyze and mitigate these transportation impacts. If the County approves this urban level development with connections and impacts to Town roadways, please be advised that the Town will look to the County to assume all responsibility for the funding and related maintenance and improvements of any impacted Town streets.

Overall, the Town finds the current TIA insufficient and inaccurate in quantifying the traffic generated from this project. In addition, to the above stated changes, the following requirements need to be addressed in the revised TIA.

1. Existing traffic counts for the study area intersections are several years old and outdated. The Town requires that these counts be present-day, or less than a year old, to capture new developments and accurately account for current traffic conditions, travel patterns, and recent roadway improvements. Only the following intersections counted in 2021 are acceptable.
  - a. Meadows and Factory Shops
  - b. Meadows and I-25 SB ramp intersection
  - c. Founders/Meadows and I-25 NB ramp intersection
  - d. Santa Fe Dr. and Castleton Ct.
2. It is unclear why the TIA is using a fitted curve equation rather the standard trip generation rate for single and multi-family homes, as well as the hotel. This results in a much lower number of trips being generated by the proposed development and misrepresents the development's actual impact to the street network. This misleading information needs to be corrected. In fact, according to the applicant the single family homes are intended to be high end homes similar to homes in the higher priced Escavera neighborhood to the south. Similar higher income and larger homes have historically generated more vehicle trips than the standard trip rate (9.44/du) and therefore if the trip rate is to vary from the standard rate it should be higher.
3. The trip distribution needs to be revised without access to Town streets. Furthermore, the distribution between zone 1 and zone 2 should not be the same based on the proposed land uses in each zone – the land uses are different therefore the trip distribution should adjust accordingly.

4. The Town opposes the proposed location for the CDOT mobility hub. Moreover, the proposed number of parking spaces (350) with the mobility hub is inconsistent with the CDOT proposed number. The Town has had several meetings with CDOT in the past. In all those meetings, CDOT staff stated that they need 1,500 parking spaces for the long term. The TIA's 2050 analysis needs to be amended to account for the planned 1,500 space Park-n-Ride as stated by CDOT staff.
5. Amend the study area intersection level of service (LOS) analysis without access to Town streets.
6. Please keep in mind the acceptable LOS for the Town, County and CDOT is LOS D. Statements like intersections operate acceptably at a LOS E is not in compliance with any jurisdiction. If an intersection is operating at LOS E, improvements need to be identified to achieve an acceptable LOS.

If the County approves connections to Town roadways over the Town's objection, in addition to assuring funding for all mitigation efforts and roadway maintenance, the County should require that all roadway design and construction meet Town standards, as follows:

7. According to Town code, all new intersections classified as a collector or higher need to be constructed as a roundabout, unless it has been determined to operate at a poor LOS.
8. The proposed access points to Front Street and Liggett Road do not meet the Town's major arterial access spacing requirements. A 4-lane major arterial requires a ½ mile spacing between intersections. In addition, any street access to the property from a major arterial will also need to be shared with the abutting undeveloped property so as to provide access to both parcels.
9. More information is needed on the proposed Front Street access from the I-25 proposed underpass. It is impossible for these streets to intersect at existing grade and create a 4-legged intersection as analyzed in the TIA.
10. The 5<sup>th</sup> and Woodlands St. intersection needs to be reassessed. The 2<sup>nd</sup> WB lane drops at Woodlands and only one lane enters Downtown. What other improvement can improve this intersection to a LOS D.
11. The Town does not necessarily agree with the proposed improvements. For example, some intersection improvements have been identified by previous studies. Further discussion on the proposed improvements is needed.
12. Because many of the intersections have improvements it is difficult to determine the proposed development's impact to the intersection if no improvements were made. Provide an extra analysis for these intersections to see what the development's impact is if no improvements are made.
13. The extension of Liggett Road to Caprice needs to be constructed with this proposed development, either by the developer or by the County. The traffic generated by this development, including the proposed CDOT mobility hub will attract trips from the south and west side of Town. Due to the poor access to this parcel, the proposed development and the CDOT mobility hub will add additional traffic to the already overstressed Meadows Pkwy, especially to the intersection at US-85. In addition, trips coming from along Wolfensberger and the south will use the I-25/Wolfensberger interchange and Wilcox Street, which is already near capacity, to reach the development. The Liggett extension to Caprice is required to relieve these negative traffic impacts and provide access to the development west of I-25.
14. The Town agrees that the Woodlands Blvd extension needs to occur before 2025 and the connection across the Scott property to the north needs to occur with the first development

phase of the project east of I-25. Making the connection after this development project is fully built out is not acceptable. Adjust the TIA analysis accordingly.

In conclusion, the Town is willing to consider the annexation of the proposed urban level development into the Town, provided that the development fully meets all applicable Town standards. If the development occurs within the County, it will be impossible for that to occur, because the development will not be allowed to connect to Town streets. If the County nevertheless approves the proposed development with the connections to Town streets, please be advised that the Town will look to the County to assume all responsibility for funding the identified improvements and related maintenance to any impacted Town streets.

**RESOLUTION NO. 2020-094**

**A RESOLUTION OF THE TOWN COUNCIL OF CASTLE ROCK STATING ITS  
OPPOSITION TO THE REZONING APPLICATION SUBMITTED BY JRW FAMILY  
LIMITED PARTNERSHIP, LLLP, TO DOUGLAS COUNTY FOR THE PINE CANYON  
PLANNED DEVELOPMENT**

**WHEREAS**, JRW Family Limited Partnership, LLLP (the “Applicant”), the owner and developer of 530 acres of land located in unincorporated Douglas County (the “County”), has submitted a proposal to the County to rezone such land to a planned development consisting of a maximum of 1,800 dwelling units, 600,000 square feet of non-residential uses with a transportation mobility hub, a resort hotel, and approximately 190 acres of parks and open space (the “Pine Canyon Planned Development”); and

**WHEREAS**, the Town of Castle Rock (the “Town”) has an open and solid relationship with the County and considers the County a critical regional partner; and

**WHEREAS**, although the Pine Canyon Planned Development is located within unincorporated Douglas County, it is surrounded by the Town; and

**WHEREAS**, constructing an unincorporated urban level community in the middle of the Town will cause negative impacts on the surrounding area, including Town roadways, open space, parks and trails, and existing neighborhoods located within the Town limits; and

**WHEREAS**, the Pine Canyon Planned Development does not comply with the Douglas County Zoning Regulations, the Douglas County Subdivision Regulations, the Douglas County 2040 Comprehensive Master Plan, the Douglas County Parks, Trails and Open Space Master Plan, and the Douglas County Transportation Master Plan; and

**WHEREAS**, the Applicant has stated that the Pine Canyon Planned Development will add 22,054 daily vehicle trips per day to Town-owned roadways within the immediate vicinity of the Development, a number which Town staff believes to be grossly underestimated; and

**WHEREAS**, the true impacts to the Town’s existing roadway system are not only inaccurately projected, but the Applicant has also not made any commitment to mitigate any of the Development’s impacts upon Town roadways and intersection controls; and

**WHEREAS**, the Applicant has not sought a determination from the Town as to whether access for the Pine Canyon Planned Development to Town roadways will be granted; and

**WHEREAS**, the access points to Town roadways, as shown in the rezoning application, have not been approved by the Town and, as such, should be deemed conceptual; and

**WHEREAS**, the potential impacts of the Applicant's proposed mobility hub are significantly underestimated in the traffic impact assessment attached to the rezoning application; and

**WHEREAS**, the true impacts of the mobility hub to the Town's existing transportation facilities are undetermined and unmitigated at this time; and

**WHEREAS**, the Applicant has proposed the construction of a wastewater treatment facility to serve the Pine Canyon Planned Development, which facility will discharge treated wastewater into East Plum Creek at a location immediately upstream of several of the Town's drinking water wells, thereby presenting undue risks to the safety of Town's water supply; and

**WHEREAS**, the Applicant proposes to supply water to the Pine Canyon Planned Development solely from non-renewable groundwater, a request which will set back the County's efforts to transition to a renewable water supply and be detrimental to the health, safety, and welfare of the present and future inhabitants of the County; and

**WHEREAS**, the non-renewable groundwater supply proposed by the Applicant: (i) is of unknown real capacity and based solely on paper water decrees; (ii) does not include a safety factor of excess non-renewable supply; (iii) is not supported by any sampling data or information showing quality, and (iv) incorporates a plan to reuse wastewater effluent which is not likely to be permitted by the Colorado Department of Public Health and Environment; and

**WHEREAS**, constructing non-tributary groundwater wells within the Pine Canyon Planned Development will interfere with the Town's non-tributary groundwater wells and its plan to utilize those wells for aquifer storage and recovery, thereby impinging upon the Town's water rights; and

**WHEREAS**, the Applicant will need to coordinate with the Castle Rock Fire District to commit to a funding source for the additional facilities, equipment, personnel, plan review and inspections needed to serve the Pine Canyon Planned Development; and

**WHEREAS**, the reliance on a non-renewable groundwater supply will not provide the Castle Rock Fire District with a reliable long-term water source to provide adequate fire service to the future residents of and businesses within the Pine Canyon Planned Development; and

**WHEREAS**, the Development, as proposed, will also require substantial and continual mitigation and maintenance to limit the potential of catastrophic wildland fire, the details of which have not been discussed with or agreed to by the Castle Rock Fire District; and

**WHEREAS**, the Applicant's proposal does not comply with the Douglas County Comprehensive Master Plan ("Douglas County CMP") classification of the location as a Municipal Planning Area, which classification indicates that the Pine Canyon Planned Development area is of mutual concern between the County and the adjacent municipality, and encourages annexation and development of this area within the adjacent municipal jurisdiction; and

**WHEREAS**, the Applicant's proposal also does not comply with the Douglas County CMP policy to lessen the burden on existing recreation facilities, given that the Pine Canyon Planned Development will be home to approximately 4,500-5,000 residents without a planned community recreation center and a trail system entirely reliant on connection to existing Town trails and sidewalks to complete linkages and provide grade-separated crossings; and

**WHEREAS**, notwithstanding the fact that Policy 8-1A.3 of the Douglas County CMP states that Class 3 Hazard Areas should be limited to low-intensity land uses such as agriculture, grazing, open space and certain recreational uses, the Pine Canyon Planned Development proposes urban density residential development and a commercial hotel, spa, restaurant, and conference center facilities on property that is located within both the Wildlife Resources Moderate Habitat Value area and the Class 3 Hazards and Environmental Constraints area as identified in the Douglas County CMP; and

**WHEREAS**, the proposed Walter J. Scott Riparian Park and Preserve does not meet the requirements set forth in Douglas County Subdivision Regulation Section 1003.11.2 for a regional park dedication because it (i) fails to incorporate active uses, such as athletic fields, playgrounds, picnic areas, and other developed amenities, and (ii) does not provide for safe public access, due to lack of a grade-separated crossing of the existing railroad track; and

**WHEREAS**, pursuant to Douglas County Subdivision Regulation Section 1003.11.2.1, the Applicant's proposal should provide for a minimum 50-acre regional park on the east side of Interstate 25 that is not only easily accessible to residents, but also preserves a portion of the unique forested natural area; and

**WHEREAS**, the Applicant's proposal fails to provide the minimum required five-acre neighborhood park to serve the proposed 600 multifamily units proposed for planning areas 17, 18, and 19 on the west side of Interstate 25; and

**WHEREAS**, the Pine Canyon Planned Development contains numerous other defects that will cause substantial harm to the Town, the details of which will be further set out in additional filings and materials provided to the County as part of the Town's opposition to the proposed development.

**NOW, THEREFORE BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CASTLE ROCK, COLORADO, AS FOLLOWS:**

**Section 1. Statement of Opposition.** The Town Council hereby formally states its opposition to the Pine Canyon Planned Development rezoning application submitted by JRW Family Limited Partnership, LLLP, to Douglas County and further recommends that Douglas County deny the rezoning request in its entirety.

**Section 2. Authorization.** The Director of Development Services and the Town Manager are hereby authorized to take whatever action is necessary on behalf of the Town to formally oppose the Pine Canyon Planned Development rezoning application at the respective public hearings before the Douglas County Planning Commission and Board of County

Commissioners, including the submission of a written statement recommending denial of the Pine Canyon Planned Development rezoning application consistent with this Resolution and the reasons identified therein.

**PASSED, APPROVED AND ADOPTED** this 15th day of September, 2020, by the Town Council of the Town of Castle Rock, Colorado, on first and final reading by a vote of 6 for and 0 against.

**ATTEST:**


  
\_\_\_\_\_  
Lisa Anderson, Town Clerk

**TOWN OF CASTLE ROCK**

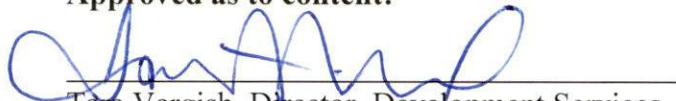
  
\_\_\_\_\_  
Jason Gray, Mayor

*Jason Bower, Mayor Pro Tem*

**Approved as to form:**

  
\_\_\_\_\_  
Michael J. Hyman, Town Attorney

**Approved as to content:**

  
\_\_\_\_\_  
Tara Vargish, Director, Development Services



**RESOLUTION NO. 2020-095**

**A RESOLUTION OF THE TOWN COUNCIL OF CASTLE ROCK STATING ITS OPPOSITION TO THE APPEAL SUBMITTED BY JRW FAMILY LIMITED PARTNERSHIP, LLLP, TO THE WATER SUPPLY STANDARDS SET FORTH IN SECTION 18A OF THE DOUGLAS COUNTY ZONING RESOLUTION WITH REGARD TO THE PROPOSED PINE CANYON PLANNED DEVELOPMENT**

**WHEREAS**, JRW Family Limited Partnership, LLLP (the “Applicant”), the owner and developer of 530 acres of land located in unincorporated Douglas County (the “County”), has submitted a proposal to the County to rezone such land to a planned development consisting of a maximum of 1,800 dwelling units, 600,000 square feet of non-residential uses with a transportation mobility hub, a resort hotel, and approximately 190 acres of parks and open space (the “Pine Canyon Planned Development”); and

**WHEREAS**, concurrent with its rezoning application, the Applicant has submitted an appeal to the water supply standards set forth in Section 18A of the Douglas County Zoning Resolution (the “Water Supply Overlay District”) for its plan to supply water to the Pine Canyon Planned Development (the “Water Appeal”); and

**WHEREAS**, the intent of the Water Supply Overlay District is to ensure that development in the unincorporated areas of the County provides for a water supply that is sufficient in terms of quantity, quality, and dependability; and

**WHEREAS**, the County will approve the Water Appeal only upon finding that: (i) the request will not be detrimental to the health, safety, or welfare of the present or future inhabitants of the County, and (ii) the application provides sufficient supporting data of alternate water demand criteria so the water supply is still considered sufficient in terms of quantity, quality and dependability; and

**WHEREAS**, the County’s Comprehensive Master Plan provides that the Denver Basin (a non-renewable groundwater resource) alone cannot sustain the population’s water needs long-term; and

**WHEREAS**, for the past two decades, the County and the surrounding South Metro region have invested substantial effort and resources to transition to a renewable water supply; and

**WHEREAS**, the Applicant proposes to supply water to the Pine Canyon Planned Development solely from non-renewable groundwater, a request which will set back the County’s efforts to transition to a renewable water supply and be detrimental to the health, safety, and welfare of the present and future inhabitants of the County; and

**WHEREAS**, the non-renewable groundwater supply proposed by the Applicant: (i) is of unknown real capacity and based solely on paper water decrees; (ii) does not include a safety factor of excess non-renewable supply; (iii) is not supported by any sampling data or information



showing quality, and (iv) incorporates a plan to reuse wastewater effluent which is not likely to be permitted by the Colorado Department of Public Health and Environment; and

**WHEREAS**, given these facts, the Applicant has failed to provide the County adequate supporting data of alternate water demand criteria and, thus, is unable to demonstrate that the proposed water supply will be sufficient to serve the Pine Canyon Planned Development in terms of quantity, quality and dependability; and

**WHEREAS**, although the Pine Canyon Planned Development is located within unincorporated Douglas County, it is surrounded by the Town of Castle Rock (the “Town”); and

**WHEREAS**, constructing non-tributary groundwater wells within the Pine Canyon Planned Development will interfere with the Town’s non-tributary groundwater wells and its plan to utilize those wells for aquifer storage and recovery, thereby impinging upon the Town’s water rights; and

**WHEREAS**, consolidation of water and wastewater services through annexation into the Town presents the best and most cost efficient option for the Applicant and future residents and will ensure that future residents of the Pine Canyon Planned Development have access to long term, sustainable and renewable water supplies; and

**WHEREAS**, furthermore, the Pine Canyon Planned Development lies within the Town’s water and wastewater service area and the Town has planned accordingly to serve this property if and when such property is developed.

**NOW, THEREFORE BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CASTLE ROCK, COLORADO, AS FOLLOWS:**

**Section 1. Statement of Opposition.** The Town Council hereby formally states its opposition to the Water Appeal submitted by JRW Family Limited Partnership, LLLP, to Douglas County for the Pine Canyon Planned Development and further recommends that Douglas County deny the Water Appeal in its entirety.

**Section 2. Authorization.** The Director of Castle Rock Water and the Town Manager are hereby authorized to take whatever action is necessary on behalf of the Town to formally oppose the Water Appeal at the respective public hearings before the Douglas County Planning Commission and Board of County Commissioners, including the submission of a written statement recommending denial of the Water Appeal consistent with this Resolution and the reasons identified therein.

**PASSED, APPROVED AND ADOPTED** this 15th day of September, 2020, by the Town Council of the Town of Castle Rock, Colorado, on first and final reading by a vote of 6 for and 0 against.

**ATTEST:**

*Lisa Anderson*

Lisa Anderson, Town Clerk

**TOWN OF CASTLE ROCK**

Jason Gray, Mayor

*Jason Bower*  
Mayor Pro Tem

**Approved as to form:**

*Michael J. Hyman*

Michael J. Hyman, Town Attorney

**Approved as to content:**

*Mark Marlowe*  
Mark Marlowe, Director, Castle Rock Water





*"Our mission is to provide outstanding service, safety and support for transportation infrastructure and maintenance."*



July 23, 2020

Matt Jakubowski  
Chief Planner  
Douglas County, Planning Department  
100 Third Street,  
Castle Rock, CO 80104

RE: Summary of July 22 Meeting on Pine Canyon Development Application with Douglas County

Matt,

Thank you for attending the recent meeting with the Town, and Pine Canyon developer to discuss the status of the current Pine Canyon development proposal within unincorporated Douglas County that is formally in review by the County. The Town does not support the Pine Canyon Proposal in its current form. At the Applicant's request, the Town has held this meeting with the Applicant. The Town recorded the meeting and will make it available to the Applicant upon the submission of a written request in accordance with the Colorado Open Records Act.

The primary purpose of this meeting was to review the current transportation vision that the development currently has. The two areas discussed included: 1) The development's proposed Transit Mobility Hub, and 2) Proposed access locations of the development. Unfortunately, the meeting failed to focus on a matter of substantial concern to the Town that is the lack of off-site traffic mitigation associated with the project's substantial traffic demand. The Applicant team indicated that a response on this issue may be provided in the future.

### Transit Mobility Hub

The project applicant provided a summary overview of the location of the proposed Transit Mobility Hub (Hub). A Hub is generally defined as the Colorado Department of Transportation vision of a multi-modal transit area that serves a variety of transit options including, but not limited to, park and rides that connect to heavy rail, light rail, regional bus, and local transit system services. They described this location as generally proposed to be on the West side of I-25, adjacent to Liggett Road. They also provided a broad overview that they have been in discussions with CDOT staff on this proposal, and shared that their initial feedback appears to be supportive of this location, and that they will continue to work with CDOT on this proposal.

The Town provided input that while we support the vision of a Hub, we are not in support of a Hub at this proposed location. The primary reasons being: 1) a lack of supporting infrastructure and the likely high costs of having to develop this infrastructure, and 2) a lack of connection to surrounding compatible uses (i.e. jobs, recreation, retail), referred to as "synergy" in the meeting. We mentioned that we have had a recent discussion with CDOT Region #1 staff where we have stated this same position. It was recommended by the County that County and Town staff set up a meeting with CDOT to better understand their transit funding situation, as well as understanding the various agency's perspectives on a Hub. The Town will work with County staff to pursue this meeting. While the

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discussion concerning transit was interesting, it failed to include any discussion of possible funding for the various concepts discussed. Neither the County nor Town staff in attendance at the meeting indicated available funding for the project as generally outlined in the future.

### Pine Canyon Proposed Roadway Access Points

The Applicant provided an overview of the current proposed access locations. Some of these locations are proposed connections to Town owned roadways, and others are proposed connections to CDOT owned roadways. The Applicant discussed that the development proposal with the County will include proposed offsite mitigation measures that are supported with their consultant's analysis. The Applicant also provided an opinion that the proposed connections, and extensions of certain roadways, will provide a benefit to the Town to assist with some existing challenges. The Applicant also provided some background on an existing Development Agreement associated with an adjacent property that they feel has some relevance to extending a portion of Woodlands Boulevard.

The Town provided input that the high density of development proposed in the Applicant's current application with the County will have significant impacts on existing Town roadways with no supporting tax base coming to the Town to assist with this impact. Additionally, the likely heavy amount of construction traffic that is likely to occur with the construction of this high density proposal over a several year timeframe is of concern on Town roadways. We will review and comment to the County on the Applicant's continued application with the County as a referral agency. The Town has not determined at this writing whether access to Town owned and controlled public streets for this development is appropriate from a legal or policy standpoint.

In closing, if you have any additional requests to discuss aspects of the development proposal related to transportation and the Town's transportation system please reach out to me directly. Thank you again for the recent discussion.

Regards,

Dan Sailer, P.E.  
Public Works Director  
Town of Castle Rock

Cc:  
Dave Corliss, Town Manager  
Mike Hyman, Town Attorney  
Tara Vargish, Town Development Services Director  
Art Griffith, Douglas County  
Kurt Walker, Principal Project Manager – Pine Canyon