

DRAFT
MINUTES

REAP Business Meeting

April 14, 2022

12:00 p.m.

Zoom Meeting ID# 615-031-3051

The monthly meeting of the I-70 Regional Economic Advancement Partnership was called to order at 12:05 p.m. by Chairman Kirk Holwell.

The following Board Members were present:

Wil Chase	Loretta Daniel	Mark Harding	Kirk Holwell
Frank Linnebur	Gary May	Becky Zierer	

Guests attending were:

Brad	Bauer	Antelope Hills Resident
Kip	Cheroutes	REAP
Matt	Elvehjem	High Plains Bank
Moto	G	
Tracy	Griffin	Strasburg Water Dist.
Libby	Harrington	
Steve	Hebert	Town of Bennett
Diane	K	
Steve	Loeffler	CDOT
Kathy	Mahan	REAP
Cooper	Raines	Real Estate Agent
Ferdinand	Rouse	Adams County
Robin	Schincke	Morgan Community College
Kathy	Smiley	I-70 Scout
Nathan	Sumner	Sum Financial Services

Libby	Tart	Adams County
Shannelle	Watts	Arapahoe County
I-70 CoCC		
3 phone calls to the meeting		

Approval of March 10, 2022 Meeting Minutes:

Minutes were approved as submitted.

Chairman Report:

Executive Director Report:

Kip Cheroutes introduced Mark Harding as guest speaker and welcomed guest.

Guest Speaker – Mark Harding, President/CEO Pure Cycle Corporation

Mark Harding is the President of Rangeview Metropolitan District which comprise of 14 water providers. Water in Colorado is split with 80% of the population on the eastern slope and 80% of the water is on the western slope. Mark explained how we use water on a statewide basis. The majority of water is used in agriculture, we have about 3.5 million acres in agriculture statewide and 74% of that agricultural farmland is on the east slope. 20% of the state’s water supply is serving 70% of that irrigated acreage. Historical uses of municipal water supply are 50% indoors and 50% outdoor use. We look at indoor uses as a conservation effort on how we use water. The U.S. uses a larger amount of water compared to other places elsewhere in the world. The U.S. average 156 gallons of water per person a day. Most Europe models are about half of that. Compared to other countries, we are heavy water users. Taking a look at the Denver in the 1980’s we put out 300 gallons per day and that’s twice what the national average shows. You can see how we are doing with implementing conservation and water conscience measures. Not only how we use it in the house but in our land use mechanisms. In 2000, we reduced that to about 215, the South Metro had a target of 120 and we reached that goal a couple of years ago. It is extremely important that we are good stewards of the limited resources that we have and continue to try and take care of that. We have 3 different metrics for our water supply. We have surface supplies that comes from streams and rivers. We have our aquifer waters and there are different types of aquifers in the State of Colorado, the more prominent one here is the Denver Basin water supply. We also treat water in water treatment facilities. At our facility we are a zero-discharge facility and we reuse 100% of our water. The cheapest water is water that we already have and try to use it to the fullest extent. We are a very arid climate with an average of 14% of precipitation a year. There are multiple issues with surface water supplies and that’s climate change, we have multiple year drought periods, we have wet years and we want to try to capture that water supply. Our surface water system is not as reliable as we would want it to be, so we have to manage those supplies by making storage for them to treat that water and use our aquifers to maintain water quality and volume. Mother nature does a good

job of storing our water supply but then gives it all back to us in a 60-day window. The problem with the 60-day window is it doesn't happen when our demands occur. Those are municipal demands are outdoor watering lawns, open space, as well as farming and irrigation demands. If we don't store that water, it's gone. How can you collect it when it's available and how are you going to use it when your demands increase? So how does this apply when you are a water supplier and sustain a manageable system? We have a very nice portfolio of water in our system, one of the largest portfolios of water in the region. We have 900-acre feet of wise supply which is a regional water supply that's through Metro, South Denver and Aurora. Aurora stores and treats that water and distributes it throughout 11 of the 14 South Metro Water providers. We have about 700-acre feet of water in the lower South Platte. We have local supplies in our area which is the Lowry Ranch and we have 3,300 acre feet of junior water supplies on Box Elder Creek. We have a very large supply of ground water at 25,000-acre feet in addition to using the wells to produce that water. Rangeview has 2 of 4 zero discharge plants in the state of Colorado. We have a state-of-the-art facility that was constructed 2 years ago, its ultimate capacity is 1.6 million gallons a day. What we do is take 100 % of that water from our community and that is a master planned community on the I-70 Corridor called Sky Ranch, we treat it and turn it back to a reasonable standard. We have a dual distribution system that has a separate system that distributes the reclaimed water supply to outdoor irrigation needs to commercial, parks and open space areas. We also use that supply for industrial supply, oil and gas and other applications. We have 14 water suppliers linked into the system and they help each other out when you have a system issue when a well goes down or a line breaks, have loss of pressure or any number of things. We can distribute those water supplies, so we don't have to all develop redundant systems. It's a terrific insurance policy to have the collective benefit of hundreds of millions of dollars in asset development. At our facility at Sky Ranch our acre feet allocation for a single-family home has dropped to about 2-acre feet and that's an important metric. We have 2 of the most valuable reservoir sites in the metro area and these are classified as a non-jurisdictional site. Twenty years ago, the average metric was a .5-acre-FT foot per house. We are seeing more efficiencies on how we are using our water supply. The metric today shows approximately .3 acre-FT. We have had a 2/3 improvement in how far our water supplies can go. The same portfolio of water is going to be able to be used for more houses. Due to the way the Denver area and the mountains growth will have to move to the eastern corridor. There has been growth to the south and north, the underserved area is the eastern corridor. As over the past 5 – 10 years there has been interest in the I-70 Corridor as it grows and moves forward it presents opportunities and challenges depending on how we handle it. New developments are needing sustainable and long-term water supplies, which means we need to capitalize on all of these approaches. What demands are looking like and they are projecting is between 250 and 700 acre-FT of supply, the eastern slope doesn't have that kind of capacity. There is plenty of water on the west slope but it is very challenging to be developed. There is not an easy mechanism to transfer that from the west slope to the east slope. Water suppliers have to look years out to make sure that we have water supplies for the demands. How do counties and land entitlement agencies need to be working cooperatively with water providers? You need to invest in technology, reusing and recycling water, you need to invest in infrastructure, distribute water for the high demands needs and collect that and store that as many times as you can. You need to use everything that's in

your toolbox. Historically water providers have competed with each other, there hasn't been a lot of cooperation. Wise was the first to bring that kind of cooperation into the community. Cooperation allows us to keep our supplies on a progressive basis and it allows us to keep our rates reasonable. You have to have cooperation with the entitlement agent, the counties and local jurisdictions. You may have an inventory of land that you have annexed, zoned and given entitlements for that will take decades to find the water supplies and at the same time you need the water supply to get the zoning. In an average single-family home, the water operation strategy is that 2/3 of the water is reclaimed from household use and 1/3 is used outdoors. The water operation strategy for 2050 is to reclaim 90% of the indoor water and return for treatment then add it to the water supply. The water going into the house is the water they will deliver back to you. We are being good stewards. We are treating our water supplies with an advanced water treatment, bring that back into recharging reservoirs and our system to use and reuse that water supply. We have water, it's about managing those water supplies. You have a conflict with growth, entitlement and water availability and the state has tried to do a lot with it dating as far back as 2003. The state was trying to couple land use with water availability and found it is not so easy. We didn't want people gobbling up those water supplies and holding them hostage. The I-70 Corridor is the most attractive corridor in Denver, Arapahoe County is at the tip of the sword on opportunity in this area. Whether it is Adams or Arapahoe Counties, all of the I-70 Corridor are seeing the lion's share of economic opportunity, and all of the lion's share of investment in water. We want to make sure these agencies are working together and not imposing impossible barriers but allowing the funding mechanism of growth to fund that investment.

Kip Cheroutes: You have just given us the policy, the regulatory, technical, land use constraints that all have to work together to progress. I think as Reap this is another area to explore. I would like to mention that Tracy Griffin is here with us and she is with Strasburg Water District. Tracy, would you have anything to say?

Tracy Griffin: I would like to introduce our water operator Plant Operator - Paul Grant with Headways Consultant he is with us today.

Kip Cheroutes: I would like to throw in here a state legislation. HB 1151 to incentivize water wise landscapes, creating a state program to finance the voluntarily replace irrigated turf. This is going to be a tax benefit, a refund on your state tax and I'm not sure how it is going to end up. I am told this is a bill that will survive and will be signed into law in the very near future.

Loretta Daniel: The Colorado River has been in the news. How is what is happening on the Colorado River going to affect Arapahoe County?

Mark Harding: The Colorado River got divided up over a 100 years ago and it was divided up on a measurement flow of the river at a certain point of the river. It was measured over a 3-year flow of the river and decided that was the average flow of the river and that happened to be the wettest flow of the

river. They ended up over allocating the natural flows of the river. They based this on actual numbers opposed to percentage numbers. When they have problems delivering on a specific number of acre feet to California, Arizona and Nevada they are fixed numbers. What if the water isn't there? There is a 100-year interest that hasn't been touched because there are those who find it favorable and then there are those who say if there is no water there, I can't give you what I don't have. The State of Colorado has a fixed interest and 80% of the water on the west slope leaves the state and that's the bulk of where the supply is. That isn't the only compacts, we have compacts with Kansas and Nebraska and they restrict how the water is going to be used. Does it have a direct impact on Arapahoe County where there is less water available. It's how water suppliers assure customers has a supply. We continue to work through our portfolio of tools to be able to manage that.

Kip Cheroutes: There is a firm out there called Water Foundry, Wil Sarni is the CEO and he has spun off a technology investment LLC looking for investors investing in his portfolio of promising technology that will improve the situation in the Colorado River Basin. I think there is a need on the east slope to follow the lead on the west slope. I throw that out as another way to investigate and explore and see if it has application on the I-70 Corridor. The Town of Bennett has tremendous foresight in figuring out how to acquire and maintain their water supply as well as recycling. They have a terrific recycling program that takes their sewage water recycles it into non-potable water for irrigation purposes. Core out of Bennett is using recycled water for their irrigation projects.

Frank Linnebur: I sell real estate and a farmer and working with farmers out in eastern Colorado. Landowners are getting determination of decrees of water on their property. Back 20-years ago people wanting to sub-divide property closer to the front range had to buy development rights on the eastern side to move those sites closer to the front range basically giving up those rights to sub divide and use more water. People have been shopping around to buy those decrees or water rights to have the ability to build closer to the front range or to have more water available to them. How is that progressing and is there a market for that right now?

Mark Harding: This is something Arapahoe and Elbert Counties have been wrestling with. They said if we make a high bar on this, it will be a growth limiter and it will restrict growth. Elbert County went to a rule of you can use your Denver Basin supply, but it has to be a 300-year supply of water. What that has done for northwest Elbert County is it's created a nightmare on land use. They have thousands of 5 acre lots with delapidated roads, no paved roads, they have no infrastructure out in the area. They have a challenge with that spread out demographic, schools and the availability of school infrastructure. When you look at land use that is an unintended consequence. When you look at development you want to have a regional provider and you want to concentrate that growth. When you do zoning, you want to be concentrated so you have these regional systems to collect that water and that wastewater and reuse that water supply. When you do large acre lots that will be a well and septic and that's a terrible system because it doesn't allow you to use that infrastructure that makes that water supply sustainable. The

development needs to be more concentrated in terms of its density. You need to bring in the water to a denser area to use the tools.

Frank Linnebur: I think it would be a good time to start that conversation with the County right now. Most farmers struggle to make a living in farming and it's a rigorous process with the County to sell anything less than 35-acres and it's an incentive to keep those acreages larger. The process is so rigorous for farmers to sub-divide those into smaller sites. The public doesn't want 35-acres but that is what's available to have a rural setting.

Mark Harding: Whether it's water availability, central water and sewer, transportation, education and all of those are complicated things that the counties and land entitlement agencies have to struggle with.

Kip Cheroutes: Something you said over and over again in your presentation and it's worth discussion. There are many jurisdictions, water, land use, the state the counties and we have water districts, there is a need to bring everyone together to talk and hear what everyone is up to and explore ideas, confront challenges and see what is in the realm of possibilities. Mr. Chair what I am proposing is the July 14th we turn that REAP meeting into a water round table event in person. In July to try and get as many of the stakeholders. The water stakeholders, land stakeholder, the counties, the lawyers, everyone involved to have a roundtable discussion on who is doing what, what are the constraints and what are the opportunities and see if there is common ground in which to proceed. Mr. Chairman if that is okay with you, I would like to proceed along those lines.

Kirk Holwell: Sounds good to me.

Kip Cheroutes thanked Mark Harding for his presentation, expertise and insight in all of this. REAP has just hired an intern Byers High School Junior Ellia Perez and her primary purpose is to look into our website and brochure and translate it into Spanish. She will help REAP expand its social media presence in terms of the information we provide and events we promote. The 29th of April, 29 kids from Byers High School are being picked up at 10 a.m. by a Denver Airport shuttle bus. They will be taken to the airport for a day of job awareness and career event. The next REAP meeting will be May 12th and we are scheduled to have Xcel Energy have a presentation and hoping to have CORE also give a presentation on what they are up to and what they see as new technology and resources that are available with the new Infrastructure Bill. The June 9th meeting will be an electric vehicle discussion our speaker will be Mike King he is the assistant director of electrification energy for the department of transportation. There will be grants to the community to pursue electric charging station development. July 22nd, REAP is organizing a planning session around the High Plains Raceway. The 2-mile track is used for recreational purposes. The raceway is used for a research and development test track for aero electronics and NASCAR. What are the possibilities for research and development for EV vehicles, trucks and buses and how could High Plains Raceway be a part of that? It will be an interesting planning session.

Adjournment:

The meeting was adjourned at 1:05 p.m.