



Colorado Springs Utilities

*It's how we're all connected*

June 12, 2008

Ms. Kara Lamb  
U.S. Bureau of Reclamation  
Eastern Colorado Area Office  
11056 W. County Road 18E  
Loveland, CO 80537-9711

Re: Draft Environmental Impact Statement for the Southern Delivery System Project

Dear Ms. Lamb:

On behalf of Colorado Springs Utilities, I submit these comments on the Draft Environmental Impact Statement (DEIS) for the Southern Delivery System Project (SDS) to the United States Bureau of Reclamation (Reclamation).

Springs Utilities supplies drinking water to more than 400,000 people in Colorado Springs and neighboring areas. Each person who drinks our water deserves the close and serious look at the environmental effects of the SDS that is reflected in the DEIS. Each person also deserves the open and fair process Reclamation has used to keep the public informed of its work every step of the way.

Springs Utilities strongly supports Reclamation's choice of the Participants' Proposed Action as its Initial Preferred Alternative in the DEIS. Importantly, the Participants' Proposed Action allows the people of Colorado Springs to utilize the water rights they already own. The project uses excess storage capacity in Pueblo Reservoir. Using Pueblo Reservoir as our regulating storage will allow us to manage our water supply system in a much more effective and efficient way. The Participants' Proposed Action also has the lowest carbon footprint and lowest overall project cost of all the alternatives.

SDS is vital to the future of our city and our project partners – Fountain, Security and Pueblo West. The project partners' water needs are projected to almost double between 2007 and 2046. A new, safe and reliable system to transport water is essential and needed very soon. Based on the water forecast used in the DEIS, Colorado Springs' water demand could exceed current capacity in 2012 — and Fountain, Security and Pueblo West's water needs may exceed current capacity even sooner.

Colorado Springs has an annual growth rate of 1.2 percent. About half of our growth comes from the birth of the children and grandchildren of those already living in the region. The Colorado State demographer estimates that 800,000 people will reside in Colorado Springs by 2050. Springs Utilities supplies the water to Fort Carson, Peterson Air Force Base and the U.S. Air Force Academy, two of which are currently undergoing expansions.

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Colorado Springs and its project partners have strongly encouraged water conservation and wastewater reuse as two strategies that will help to build our water supply system through 2050. We are very proud that Colorado Springs has the lowest single-family per capita residential water use when compared to other large Front Range cities in Colorado. And we are proud to see other community leaders, like Fort Carson working to promote sustainability techniques on the base. However, conservation alone will not meet our projected demand for water.

Without the SDS, Colorado Springs would run short of water. Our citizens would face increased risk and frequency of water restrictions. We would need to use our emergency supply of water from the nonrenewable Denver Basin, an undesirable result for us and for other water users dependent on the Denver Basin ground water for drinking water. Without the SDS, our rates would increase dramatically and unnecessarily. It is no exaggeration to say that our quality of life in Colorado Springs and our economy would be jeopardized without this project. It is vitally important to the City of Colorado Springs that our water rates remain affordable as we move forward with the additional water delivery infrastructure and storage contracts in Pueblo Reservoir needed to operate SDS. Colorado Springs will need to increase water rates with or without SDS. However, without the Southern Delivery System, our most likely future would involve building the No Action alternative. According to the DEIS, the No Action alternative would lead to water rates increasing 13 percent more than the Proposed Action by 2015. It is also probable in the long-term that Colorado Springs will be required to rely on limited, non-renewable Denver Basin ground water resources if we are forced to build the No Action alternative. Of the seven alternatives examined in the DEIS, the Proposed Action will have the lowest overall rate increases, yet still provide for Colorado Springs' current and future needs.

The SDS is carefully designed to answer many of our water needs. For example, it will provide a much-needed redundant delivery for our water supply. Our last major water-delivery infrastructure was built in the 1960s, a time when our population was half of what it is today.

The people of Colorado Springs already have experienced long-term water supply outages caused by pipeline failures in its aging system. Without the SDS, we face a future with increasing likelihood of these types of outages.

This type of unreliability is unacceptable in any water system, but especially in the municipal water supply system for the second largest city in Colorado. The SDS addresses this need.

The Participants' Proposed Action provides valuable return upon the ongoing investment the City has made in the Fryingpan-Arkansas Project. The Proposed Action will use many parts of the Fryingpan-Arkansas Project, including the storage capacity and Municipal Outlet Works of Pueblo Reservoir. The annual maintenance the Fryingpan-Arkansas Project is funded through the Southeastern Colorado Water Conservancy District of which El Paso County has been a member since 1965. The citizens of El Paso County have paid 73 percent of the property tax revenues that have helped fund the Fryingpan-Arkansas Project.

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Springs Utilities has made a commitment to protecting and – in some cases – improving water quality in the region. Springs Utilities has aggressively invested and participated in regional cooperative efforts to protect Fountain Creek, including the Fountain Creek Vision Task Force and co-funding the Fountain Creek Corridor Master Plan with the Lower Arkansas Valley Water Conservancy District. The City of Colorado Springs has invested more than \$100 million for improvements to our wastewater collection systems, \$40 million to upgrade the Las Vegas wastewater treatment plant, \$80 million for the new, state-of-the-art J.D. Phillips Water Reclamation facility, and \$10 million for the Fountain Creek Recovery Project. By 2025, the City of Colorado Springs will have invested \$250 million in our wastewater system over the preceding 20 years.

Springs Utilities has also made a commitment to protect aquatic habitat. The SDS project will not increase the amount of water taken from the Fryingpan-Arkansas Project. It is true that by 2046 Springs Utilities plans to draw an additional 4,000-6,000 acre-feet of non-project West Slope water regardless of whether SDS is implemented or not. The affects of diverting this water has been studied in the Biological Opinion for Endangered Species in a 15-mile Reach on the Colorado River. Also, Springs Utilities has shown its commitment to protecting aquatic life in the region through the participation in the Upper Arkansas Voluntary Flow Management Program and the Inter-Governmental Agreement to participate in the Pueblo Flow Management Program. Both of these programs will help minimize the impacts of the SDS project.

Springs Utilities is particularly mindful of the energy benefits of the Participants' Proposed Action. Lower energy costs will keep our rates lower for the people we serve, and less energy consumption to provide water means fewer greenhouse gas emissions caused by the project.

The Participants' Proposed Action has one of the lowest estimated total power requirements among the alternatives studied for the period of 2012 through 2046. It follows that the Participants' Proposed Action and the Highway 115 alternative also will emit less climate-warming carbon dioxide than the other alternatives – since the amount of carbon dioxide emitted from an activity is directly proportional to the amount of energy used. By comparison, the Downstream Intake Alternative has emission levels almost double to the Participants' Proposed Action with energy estimates exceeding the Proposed Action by 106 percent. This factor alone is a powerful reason that argues against the selection of this alternative.

We have informed Reclamation that Springs Utilities' second choice among the alternatives in the DEIS is the Highway 115 alternative — in the event we are unable to proceed with the Proposed Action. The Highway 115 alternative also allows us to use our existing water rights, has low energy requirements – in comparison to the other alternatives – and would result in a lower cost to the consumer. The principal factor missing in the Highway 115 alternative is that it does not have the benefits of taking water from reservoir storage in Pueblo Reservoir.

To ensure the continued delivery of safe and reliable water supplies, it is very important to our community to ensure the Purpose and Need are fulfilled in the final SDS Environmental Impact Statement and the Record of Decision and that this process is completed as scheduled.

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Without the SDS to provide water to the project participants, the continued viability of our communities and our regional economy vitality is at risk. This project will ensure we can supply our water resources to our growing populations. The Proposed Action is the least expensive and will have the fewest environmental impacts.

Sincerely,

A handwritten signature in black ink, appearing to read "Jerry Forte", with a stylized flourish extending to the right.

Jerry Forte, P.E.  
Chief Executive Officer