

# SDS negotiations end without an agreement

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THE GAZETTE

FOUNTAIN – Negotiations between Colorado Springs Utilities and the federal Bureau of Reclamation involving the Southern Delivery System ended today without an agreement.

But representatives from both sides said they were optimistic they could reach a deal.

“It’s hard to predict how close we are, really, but I’m very encouraged by the negotiation process,” said Michael Collins, manager of the federal agency’s Eastern Colorado Area Office in Loveland. “We’ve had good sessions all the way along.”

One of the major sticking points in the negotiations is the cost the federal agency wants to charge Utilities for storing water at Pueblo Reservoir to supply the SDS project, a 62-mile pipeline that would bring water to Colorado Springs.

Before the end of today’s negotiation session – the fourth since May – Utilities proposed paying \$25.31 per acre-foot, plus a 1.79 percent annual inflation fee.

Collins said the federal agency would give the proposal “serious consideration” and provide a response at the next negotiation session, which has not yet been scheduled.

"We're going to think about it," he said.

Read more: <http://www.gazette.com/articles/agreement-101662-fountain-negotiations.html#slComments#ixzz0uAv0tpLA>