



Pipeline destined for Pueblo County

Colorado Springs City Council nails down the route of SDS from Pueblo Dam.

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COLORADO SPRINGS - Southern Delivery System will be built through Pueblo County, but its completion date has been pushed back four years to 2016.

Colorado Springs water rates are expected to double during that time as well to pay for the projected cost of \$880 million for the pipeline from Pueblo Dam to a new water treatment plant. The costs do not include construction of two reservoirs on Williams Creek.

Those decisions were made by an 8-1 vote of Colorado Springs City Council sitting as the utilities board Wednesday.

The route decision takes a Fremont County option out of the picture, at least for now, and the cost reflects updated engineering cost estimates. The timing of the project was delayed because Colorado Springs now thinks it won't need the project until 2017. It also allows water rates to increase more gradually. Most council members spoke of the decision in historic terms, comparing it to the Homestake Project of the 1950s and '60s, agreeing with staff that it would be difficult if not impossible to gain the approval of state, federal and local agencies again if it's not built now. Councilman Jerry Heimlicher called it a "tombstone vote," meaning he would want it recorded on his tombstone when he dies. He vigorously defended the increase in water rates, saying they would go up even more without SDS.

Vice Mayor Larry Small touted the benefits to Fountain Creek Colorado Springs will pay for as mitigation to Pueblo County.

"The residents of the East Side of Pueblo rightfully deserve relief from flooding," Small said.

Tom Gallagher, the lone councilman voting against SDS, blasted the vote, however, calling it "criminal" and "stupid."

"Thanks for the work, but that's as far as my pat on the back goes," Gallagher told Colorado Springs Utilities Director Jerry Forte and his staff. "Your cost projections are junk. . . . I'm not going to tout the wonderful fricking benefits of SDS. It's criminal. History will show it's stupid and history will show it's more of a convenience to Colorado Springs Utilities and not the ratepayers."

The costs of the first leg of the project have grown from \$480 million in 2003 to \$880 million, Gallagher said. In addition, the costs of water used to comply with a flow replacement program and the Pueblo flow management program were omitted.

“Bring me information I can use,” Gallagher said. “I will not reward deceit.”

Councilman Randy Purvis asked the toughest questions of Utilities staff, trying to nail down the real “need date” for the project, how well it will work without the terminal reservoir (to be built after 2020), how changes in the economy could affect the project and whether the permits still needed would hinder the project.

In the end, Purvis was satisfied it is time to begin building SDS, saying the alternatives - to stop growing or rip out lawns to put in rock - are far less attractive for Colorado Springs.

“It’s extraordinarily tough to get permits for any project,” Purvis said. “If we delay, the costs would go exponentially rather than lineally.”

Utilities staff built a case throughout the afternoon to delay the completion date to 2016 as the best balance to meet future water needs, supply redundant systems and reduce the burden of payment on existing customers.

“The longer we wait, the more vulnerable we are to drought, systems outages and cost increases,” said John Fredell, SDS project director.

Water attorney David Robbins said SDS is the best way for Colorado Springs to hedge its bets against climate change, drought and to use other water supplies, such as programs like the Super Ditch, which fallows farm ground in exchange for sales of water to cities or other users.

“I don’t think you could do it again,” Robbins said. “Every year brings new hurdles for water development.”

Three members of the public brought concerns to council Wednesday.

Lisa Eastep, who lives near the Upper Williams Creek reservoir site, said she and her neighbors need more certainty in dealing with Colorado Springs.

“We’ve lived with this shadow for five years. We can’t sell. We can’t improve. We can’t move,” Eastep said. “We’ve vowed to stand strong and not let Colorado Springs Utilities run over us.”

T. A. Arnold asked the council to consider how spending nearly \$1 billion for water would detract from other infrastructure needed to support growth, what he called deferred maintenance.

“We’re in turbulent times,” Arnold said.

Kevin Walker, a member of a local committee looking at water issues, said the rate hikes may seem high, but said they are needed if Colorado Springs expects to continue to grow.

“In the 1960s we doubled rates,” Walker said. “This is this generation’s task.”

SDS COST BREAKDOWNS

Here’s a breakdown of projected expenditures of \$880 million for phase 1 of the Southern Delivery System, a pipeline project that will benefit Colorado Springs, Security, Fountain and Pueblo West.

- **\$761 million** for construction, including projects on Fountain Creek to improve conditions at Clear Springs Ranch and dredging near the confluence of the Arkansas River. It includes 62 miles of pipeline, a new outlet at Pueblo Dam, three pumping stations and a treatment plant. It does not include two reservoirs on Williams Creek.

- **\$50 million** for payments to the Fountain Creek Flood Control and Greenway District, part of Pueblo County 1041 conditions.

- **\$37 million** for land acquisition along the pipeline route and at the Upper Williams Creek Reservoir site. Colorado Springs already owns the land at the other Williams Creek site.

- **\$26 million** for permit costs, including the Bureau of Reclamation environmental impact statement, Pueblo County 1041 permit, Army Corps of Engineers permit and numerous other permits.

- **\$6 million** to repair Pueblo County roads disturbed during construction.

- The average water bill for Colorado Springs residents is expected to increase from \$40 a month in 2010 to \$90 a month in 2019. That does not include other increases for operations or the construction of two reservoirs, expected to occur after 2020.