

In the event completion of the SDS Project is delayed beyond 42 months after the effective date of the permit because of an affirmative decision made by Applicant, then the payments to be made by the Applicant pursuant to this paragraph shall begin to be made on such date, without regard to project construction status, or such payments shall be subject to annual indexing commencing 42 months after the effective date of the permit, to increase the amount of such payments as required to preserve their present values, using the Colorado Front Range Producer Price Index, but not to exceed a maximum annual increase of 3.5%.

#### **7. Expenditures for Wastewater System Improvements.**

In order to continue its efforts to protect against future spills to Fountain Creek, to increase its opportunities for reuse, and to mitigate possible water quality impacts by the SDS Project to Fountain Creek, Colorado Springs Utilities shall commit to invest an additional seventy-five million dollars (\$75,000,000) in its wastewater system. Expenditures will be made as part of the wastewater collection system rehabilitation programs or wastewater reuse systems between January 1, 2009 and December 31, 2024 as required. These expenditures shall be for projects not currently required by other regulatory permits, agency enforcement or court orders, consent agreements, or governmental regulations existing as of January 30, 2009. These expenditures will include the Local Collector Evaluation and Rehabilitation Program (LCERP) for the improvement and fortification of wastewater lines which could adversely affect Fountain Creek or its tributaries. These expenditures are subject to annual appropriation by the Colorado Springs City Council. Beginning in 2010, by January 31 of each year, Colorado Springs Utilities shall provide an annual report to Pueblo County describing such expenditures for the prior year.

#### **8. Sediment Control/Dredging and Clear Springs Ranch.**

It is acknowledged by Pueblo County and Applicant that one mitigation commitment will be a project to reduce the sediment load in lower Fountain Creek through dredging and the construction of sediment collection devices. These efforts will occur prior to the construction of the SDS Project. These sediment removal activities are of vital importance to Pueblo County because they will assist the City of Pueblo in preserving the flood protection of the Fountain Creek levees at or above the 100 year flood level. This mitigation commitment may be conducted in cooperation with a project or projects of the U.S. Army Corps of Engineers. It is acknowledged that there will have to be sampling done on the bed sediments in Fountain Creek to insure that no hazardous materials exist that would make a dredging and sediment removal project technically or financially impracticable. Applicant, as a condition of this permit, will pursue vigorously its efforts to complete this sediment removal project at the levels committed to in the final Environmental Impact Statement process. In the event that sediment removal is not practicable because of the quality of the

bed sediments, Applicant will commit an equal amount of money that would have been expended on this sediment removal project at the level required by the FEIS for another project designed to assist the City of Pueblo in restoring and maintaining sufficient flood protection to allow the existing levee systems to withstand a 100 year flood, subject to approval of the Bureau of Reclamation.

In addition, Applicant has committed, as part of the EIS process, to construct new wetlands and redirect a portion of the channel of Fountain Creek adjacent to the wetlands area at the Clear Spring Ranch to reduce the slope and improve channel stability through this area subject to the approval of Reclamation. The redirected channel is proposed to have an increased length and sinuosity to stabilize the channel. The purpose of this mitigation activity is to reduce sediment transport down Fountain Creek into Pueblo County, improve water quality and reduce flood threat downstream. This project will be completed to the levels required by Reclamation.

Applicant has submitted a letter to Reclamation, dated \_\_\_\_\_, stating its intention and desire to achieve its obligations set forth in the Final Environmental Impact Statement, sections 5.2.4 and 5.2.6, in the manner described in this paragraph 8. A copy of the letter has been made a part of the record.

**9. Continuation of Pueblo Flow Management Program.**

All SDS Participants shall cooperate in and comply with the PFMP (including Pueblo West and Security who are not signatories to the PFMP agreements at this time) and its requirements for maintaining target flows through Pueblo below Pueblo Reservoir by cessation of exchanges.

**10. Implementation of Arkansas River Low Flow Program.**

Colorado Springs Utilities shall promptly submit a signed Memorandum of Understanding between the Pueblo Board of Water Works and Colorado Springs Utilities which shall provide the terms and conditions under which each of the entities will contribute to and assist in the maintenance of a storage pool in Pueblo Reservoir designed to permit the release of water into the Arkansas River during times when the flow in the River could fall dangerously low, to levels at or below 50 cubic feet per second (cfs). SDS participants shall not exchange against reservoir releases made by the Board of Water Works of Pueblo or Colorado Springs Utilities for the Arkansas River Low Flow Program.

**11. Construction and Use of North River Outlet Works.**

Colorado Springs Utilities shall promptly submit to Pueblo County an executed Memorandum of Understanding with the Pueblo Board of Water Works designed to describe the manner in which the two entities will use the South Outlet Works & Joint Use Manifold and the North Outlet Works of Pueblo Dam for the provision