

August 6, 2010

Michael Satterfield, President
Laurie White, Media Relations
The Consumer Advocate, Inc.
Sent via consumeradv@comcast.net

Dear Mr. Satterfield and Ms. White:

In your “Open Letter to the Citizens of Colorado Springs” which you have disseminated to the Colorado Springs City Council, Pueblo City Council and local media, you claim to “represent interests of and investigate consumer complaints” and “have conducted research on the Southern Delivery System (SDS) and other viable options.” However, The Consumer Advocate Inc. made no effort to contact the SDS staff before widely distributing this letter which is filled with inaccurate, unsubstantiated and alarming information.

I find this irresponsible given that you stated your “mission is to get the facts on both sides of a consumer issue and present them in an unbiased fashion.”

All the issues you raised have been completely addressed and refuted through technical analysis readily available in the public record. In fact, detailed information addressing many of your claims can be found in the SDS Final Environmental Impact Statement (EIS) available at www.sdseis.com.

Given that The Consumer Advocate Inc. has been a for-profit corporation in existence since 2001, we are surprised that you did not raise your concerns to Colorado Springs Utilities until now. During the 5 ½-year EIS analysis for SDS, public comment was sought and encouraged through several public comment periods that were extended to accommodate the public, as well as numerous public meetings in El Paso, Pueblo and Fremont Counties and news coverage in the Gazette, Pueblo Chieftain and other local news media.

Pueblo Dam is safe and SDS will not increase water levels in the Reservoir:

The Consumer Advocate Inc. claim that SDS will “endanger 17,000 lives” is not only an irresponsible statement, but completely false.

- The Bureau of Reclamation owns and manages Pueblo Reservoir as part of the Fryingpan-Arkansas Project. The SDS Record of Decision (ROD) states, “Reclamation’s facilities must be operated and maintained safely, in order to protect our nation’s security, economy and environment. Reclamation ensures safety through inspections for safety deficiencies, analyses that use current technologies and designs, and corrective action if needed based on current engineering practices.”

- I advise you to review the attached publication by the Bureau of Reclamation: *Pueblo Dam: Safe Then, Safe Now*. This report outlines the programs and monitoring in place to ensure dam safety which includes real-time monitoring of the dam and regular inspections to ensure its ongoing safe operation. Page 3 of the report states: "...there are over 150 monitoring instruments on and around Pueblo Dam measuring water pressure, seepage, and movement of any portion of the dam. The equipment is checked daily, weekly, or monthly, as indicated by a prescribed schedule. Inspections and analysis of Pueblo Dam using current technology and safety standards also occur on a set schedule: general reviews annually; periodic reviews (more in-depth than annuals) every three years; and comprehensive (the most thorough review) every six years." Facility reviews were completed in 2006 and 2009 and another comprehensive review is scheduled for 2012.
- Since the Wahler report you cited, written in 1977, the Safety of Dams Program was officially implemented in 1978 with passage of the Reclamation Safety of Dams Act (Public Law 95-578), and several technological updates have been made on Pueblo Dam.
- Effects on water levels in Pueblo Reservoir due to SDS were studied extensively in the EIS. Pueblo Reservoir can hold up to 357,000 acre-feet of water which includes any water that will be stored for SDS. Your assertion that "the current SDS proposal calls for the water level to be raised substantially above the current level" is exactly opposite of what will actually occur. The [Final EIS](#) indicates that when SDS is fully operational water levels would be, on average, about 6 feet lower over the course of an entire year than they have historically been. More importantly, Reclamation has no restrictions on filling the reservoir as you claim.

Fremont County alternatives were studied and would cost significantly more than the Preferred Alternative:

The Consumer Advocate Inc. assertion that the Fremont County Pipeline Alternative (FCPA) is an "option that posed fewer permitting challenges and offered lower annual operating costs than the SDS project" is unsubstantiated.

- Water delivery from Fremont County to Colorado Springs has been studied outside the scope of the SDS. A Final EIS conducted in 1978 for the Fountain Valley Conduit found a Fremont County alternative was dismissed and replaced by the conduit's current alignment because of, "ease of construction, elimination of sand and silt problems at Canon City intake, availability of Colorado Springs owned water treatment plant site, and the new alignment being more compatible with Colorado Springs, Fountain, Security, Widefield, and Stratmoor Hills future plans and water distributions systems, lower costs, and the assurance of the uniform quality of water."
- The Fremont County Alternative you advocate for has already been suggested by interests who stood to benefit financially from the development of that alternative. The proponents of that project recommended that we enlarge Brush Hollow Reservoir for SDS and build a pipeline that generally followed Highway 115. The enlarged reservoir concept was rejected due to cost, environmental impacts,

- and challenges of constructing along Highway 115. During the public process, Reclamation considered the concepts offered by these proponents. However, despite repeated requests, details substantiating those concepts were never provided. Therefore, we developed two similar alternatives which became the No Action and Highway 115 Alternatives that were studied in the EIS.
- The Highway 115 Alternative was estimated to be far more expensive to Colorado Springs ratepayers – a minimum of \$190 million more than the Preferred Alternative from Pueblo Reservoir. Anyone who has driven along Highway 115 can attest that the terrain from Pueblo Dam poses fewer construction challenges than the terrain along Highway 115.
 - In addition to being the most cost effective option, the Preferred Alternative has numerous other advantages:
 - Drawing water from Pueblo Reservoir is more reliable than other options considered.
 - Pueblo Reservoir provides a more stable source of water than a river – delivering higher firm yield and better water quality.
 - Lower operating costs than other alternatives.
 - Similar or fewer environmental effects when compared to the other alternatives.
 - There are huge advantages in using a main-stem reservoir which gives us flexibility for our future water resource planning.
 - Using Pueblo Reservoir leverages our community’s \$68-million-plus investment in Fryingpan-Arkansas Project facilities, including Pueblo Reservoir. It’s time for our community to realize the benefit from that significant investment.

After years of public process and rigorous analysis by numerous regulatory agencies, construction on the SDS Preferred Alternative will begin this year:

You have recommended that the citizens of Colorado Springs demand that SDS be stopped immediately and remain on hold until “due diligence” on the project is done. Once again, that has been done and the issues you have raised have been completely addressed through the extensive public processes already completed.

- SDS has been thoroughly analyzed. The project has undergone more than 10 years of study including a 5 ½ year-long EIS process. Reclamation named the Proposed Action from Pueblo Reservoir as the Preferred Alternative in the ROD. The U.S. Environmental Protection Agency (EPA), U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service and other agencies were involved in that review as well. SDS from Pueblo Reservoir has also obtained critical permits including a Pueblo County 1041, El Paso County Location Application Approvals and a host of other federal, state and local approvals.
- Following the rigorous analysis of alternatives for the SDS project, in July 2009 the Colorado Springs City Council agreed with the conclusions in the ROD by voting 8-1 to approve implementation of the Preferred Alternative and authorize a 2016 in-service date. In order to ensure our community has the water when we

need it, construction on SDS is scheduled to begin this year with the connection to Pueblo Dam.

In conclusion, prior to making claims about SDS that may misinform and unduly alarm the public, you have a responsibility as a “consumer advocate” to conduct due diligence on the analysis that has already been done and contact us with specific questions or information needs related to that review. While you may have failed to participate, as mentioned above, the public process for this project has been exhaustive. To repeat that effort would waste millions of dollars in duplicating extensive environmental studies and put our valuable permits at risk.

And, in the interest of full disclosure, you should identify the consumers you represent, their financial interest in this matter (if any), and whether or not you are being compensated for this work.

Sincerely,

John Fredell
SDS Program Director

cc: Colorado Springs City Council
Lionel Rivera, Mayor
Larry Small, Vice Mayor
Sean Paige
Tom Gallagher
Scott Hente
Randy Purvis
Darryl Glenn
Jan Martin
Bernie Herpin
Jerry Forte, CEO Colorado Springs Utilities
Bruce McCormick, Chief Water Services Officer, Colorado Springs Utilities

Attachment: Pueblo Dam: Safe Then, Safe Now, publication of the U.S. Bureau of Reclamation