

SOUTHERN DELIVERY SYSTEM

MONTHLY REPORT



The Southern Delivery System (SDS) is a regional project to bring water from the Arkansas River to Colorado Springs, the City of Fountain, the Security Water District, and the Pueblo West Metropolitan District. Phase 1 of this multi-phase project includes all of the components necessary to begin delivering water to the partner communities by April 2016. This report summarizes accomplishments from the start of construction to August 2014, plans for September 2014 and key performance details for Phase 1.

Water Treatment Plant & Finished Water Pump Station



Installation of 60-inch diameter filter effluent pipe



First dome concrete pour for the raw water storage tank

Accomplishments: Completed two of eight concrete pours for the raw water storage tank dome (concrete work will occur in eight pie-shaped pieces and one circular section) and installation of rebar on the dome for the remaining concrete pours, finalized masonry work at the finished-water pump station electrical building, and completed installation of 60-inch diameter filter effluent pipe between the process building and finished water pump station. **Upcoming:** Complete open cut pipeline crossings at U.S. Highway 94 and Space Village Avenue, finish pouring concrete for the remaining six pie-shaped pieces for the raw water storage tank dome, and begin installation of 84-inch diameter raw-water piping.

Raw Water Pump Stations

Accomplishments: Continued installation of underground electrical and plumbing and forming and reinforcing the pump station foundation, received the 54-inch flow meter (measures flow rate of water), and completed placement of the flow meter vault walls at Juniper Pump Station. Completed placement of the forebay tank dome (regulates fluctuation of water) and finished installation of underground electrical conduit at the electrical room at Williams Creek Pump Station. Finalized placement of the surge tank foundation and completed formwork for the dome roof at the forebay tank at Bradley Pump Station. **Upcoming:** Complete placement of pump station building concrete walls at Juniper Pump Station, remove structural support for the forebay tank dome roof and begin shotcrete (spray-on concrete) and wrapping tensioning wire (additional support) at the forebay tank at Williams Creek Pump Station, and receive surge tank and begin installation at Bradley Pump Station.



Discharge valve vault at Williams Creek Pump Station

South Pipeline 4A Central & Finished Water Pipeline 3



Progression of tunnel excavation for South Pipeline 4A Central



Restoring berm on west side of Powers Blvd. for Finished Water 3

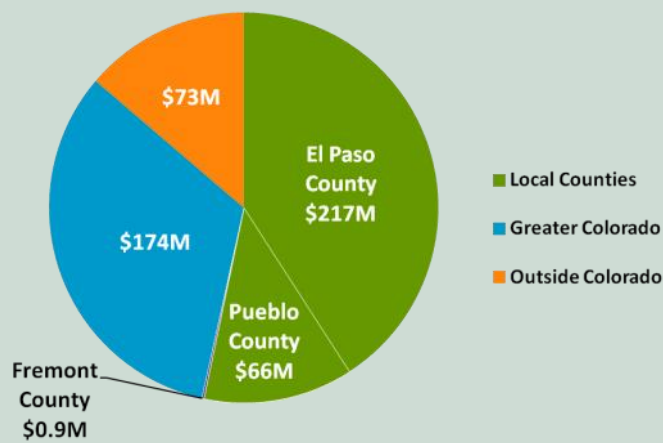
South Pipeline 4A Central Accomplishments: Achieved more than 60 percent of the total tunnel excavation, completed pipe installation east of the tunneling retrieval shaft, and began filling the pipeline for hydrostatic (pressure) testing. **Upcoming:** Continue tunnel excavation, finish hydrostatic testing, and complete tie-in to South Pipeline 4A East. **Finished Water Pipeline 3 Accomplishments:** Completed backfill operations west of Powers Blvd., removed barricades from Tutt Blvd. to Powers Blvd., and rebuilt the berm on west side of Powers Blvd. **Upcoming:** Install 30-inch valves at Constitution Ave. west of Powers Blvd., begin stormwater inlet and culvert modifications, and complete hydrostatic testing.

SPOTLIGHT

SDS Local Spending and Business Involvement through June 2014

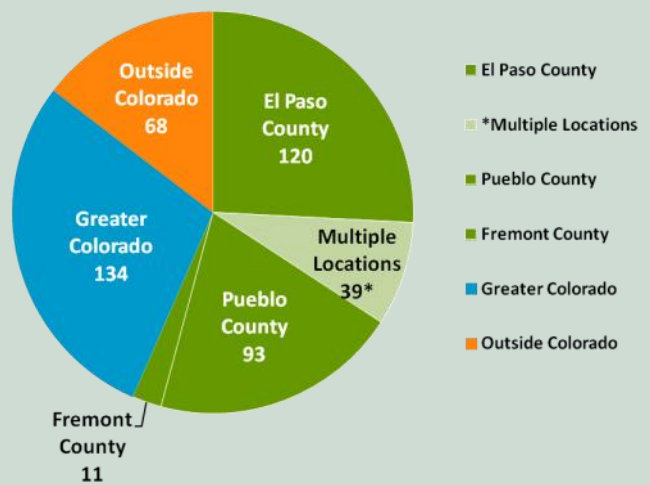
The charts below summarize some of the economic benefits of SDS to the region. Of the \$531 million spent through June 2014, about 70 percent of that total benefitted Colorado, with 53 percent benefitting the local counties of Pueblo, El Paso, and Fremont. An additional 16 percent benefitted other counties within Colorado. To date, approximately 426 businesses and organizations have supported work on SDS, with 52 percent coming from local counties and 32 percent coming from other counties within Colorado. Of those, about 39 businesses and organizations were active in multiple locations that primarily benefit Pueblo and El Paso counties.

Distribution of SDS Expenditures



[Link to Local Businesses Supporting SDS](#)

Distribution of Businesses/Organizations Supporting SDS

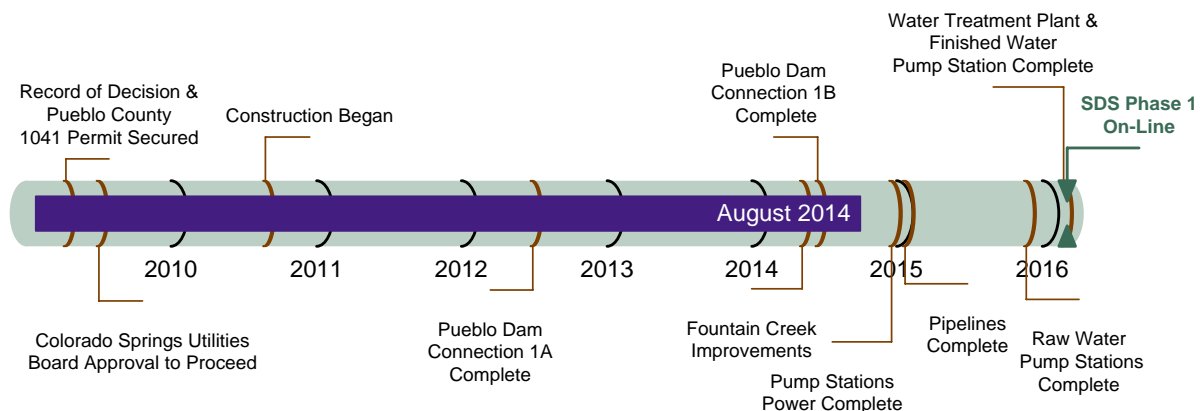


*Pueblo/El Paso County & Other Businesses Operating in Multiple Locations

Schedule Summary

The timeline below summarizes the schedule for completing Phase 1 of the SDS. Colorado Springs Utilities anticipates completing Phase 1 as planned, with full operation beginning by April 2016.

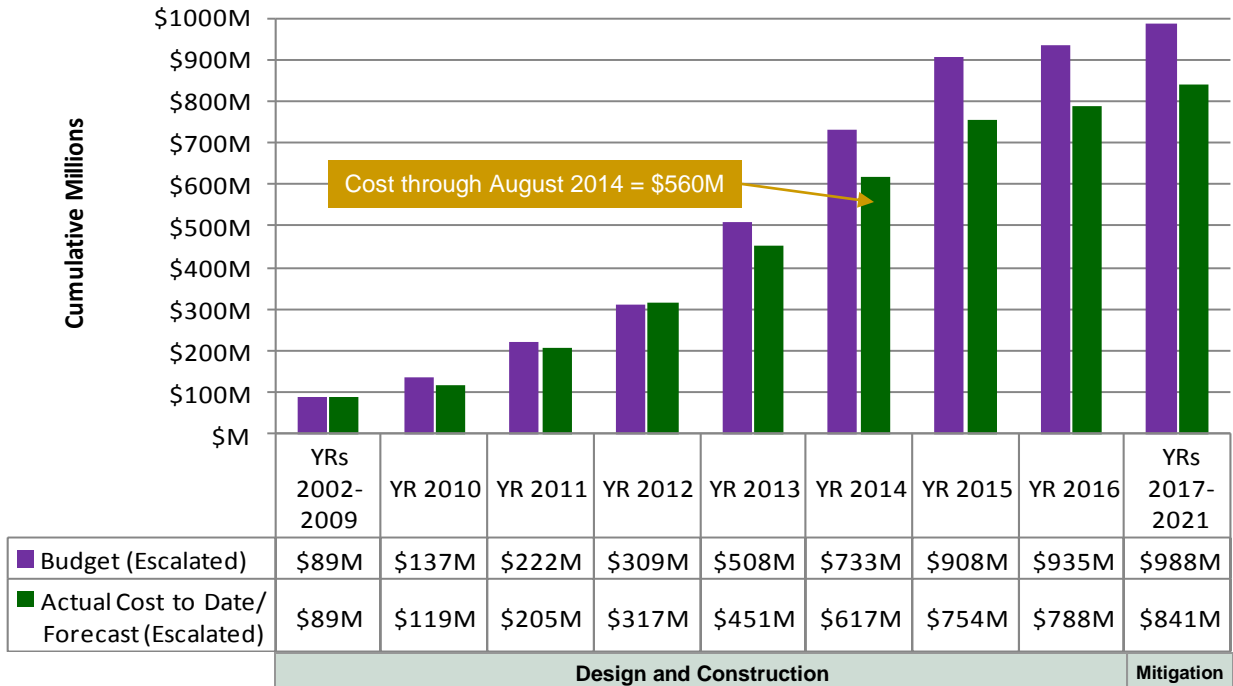
Figure 1 – Schedule Progress for Major SDS Phase 1 Projects



Cost Summary

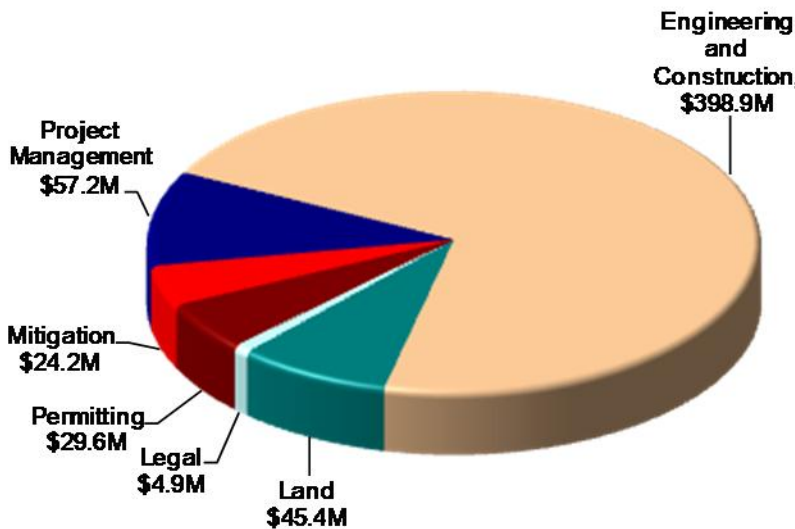
Figure 2 shows the budget for Phase 1, actual costs through August 2014, and forecasted costs for Phase 1. **Figure 3** shows the distribution of the actual costs. Key financial details are summarized below. The budget used to measure progress was established by the Colorado Springs Utilities Board in July 2009 and is \$880 million in April 2009 dollars. Accounting for actual and currently projected escalation in the cost of labor, materials, and equipment, the same 2009 budget equates to \$988 million after all direct project costs (including mitigation) are paid through 2021.

Figure 2 – Phase 1 Budget Progress – Actual Costs through August 2014



Design and construction \$ values include actual and projected cost escalation as measured by Engineering News-Record's national Construction Cost Index. Monetary mitigation payment \$ values (2017 through 2021) include cost escalation as measured by the U.S. Bureau of Labor Statistics Producer Price Index for finished goods. Periodic index forecasts by IHS Global Insight applied.

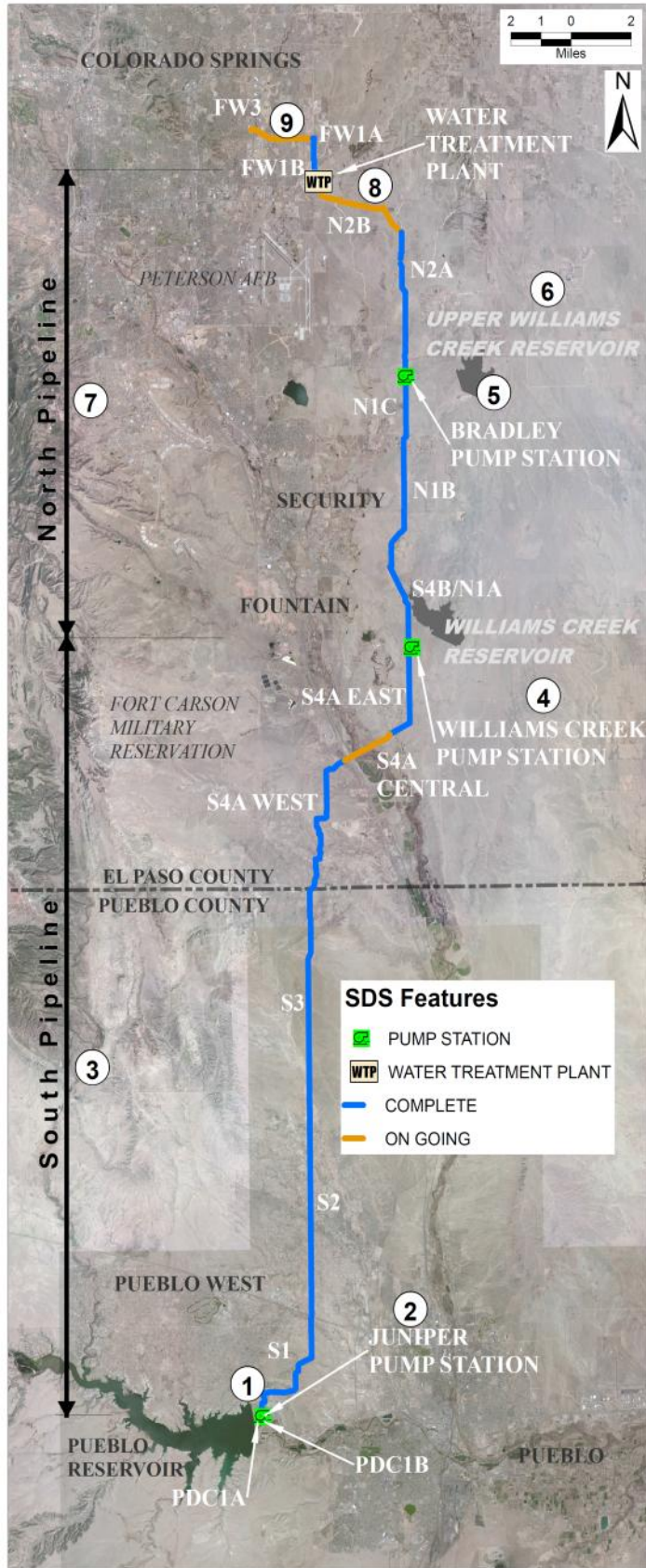
Figure 3 – Distribution of Phase 1 Direct Costs through August 2014 (\$560M Total)



Key Financial Details

- The budget for Phase 1 is \$988 million, including actual and projected escalation, while the current cost forecast is \$841 million. The project is currently forecasting completion approximately \$147 million below budget. These anticipated savings are accounted for in current water rates and plans for bond issuance.
- Cumulative actual costs to date are \$560 million, with a majority expended on engineering and construction, permitting, land, and management activities.
- Forecasted costs for 2014 are \$166 million with a cumulative expenditure of \$617 million by the end of 2014.

Figure 4 – Phase 1 Projects Status Map



Visit www.SDSwater.org for additional information.

9 Finished Water Pipeline (FW)

Complete: FW1A, FW1B (Garney Construction)
Ongoing: Garney Construction is constructing FW3 – a 2.2-mile pipeline from FW1A into the existing Colorado Springs Utilities water distribution system near Constitution Ave. and Powers Blvd.
Focus: Rebuilding berm, removing barricades, completing backfill operations, and repaving

8 SDS Water Treatment Plant (WTP) and Finished Water Pump Station (FWPS)

Ongoing: McCarthy Building Companies, Inc. is constructing the WTP and FWPS located at Marksheffel Rd. and U.S. Highway 24.
Focus: Progressing concrete pours at the raw water storage tank and continuing masonry and installation of electrical equipment

7 North Pipeline (N)

Complete: S4B/N1A/N1B (HCP Constructors), N1C/N2A (Layne Heavy Civil, Inc.)
Ongoing: Garney Construction is constructing N2B – a 3.2-mile pipeline connecting N2A to the WTP.
Focus: Installing pipe and preparing for tunneling beneath Hwy. 94

6 Upper Williams Creek Reservoir (UWCR)

Ongoing: UWCR is a 30,500 acre-foot raw water storage reservoir that will be developed as part of a future SDS phase and will be located near Bradley Pump Station.
Focus: Procuring engineer for preliminary design services

5 Bradley Pump Station (BPS)

Ongoing: Archer Western Construction, LLC is constructing BPS located in the city of Colorado Springs approximately ¼ mile south of Bradley Rd. and 1.5 miles east of Marksheffel Rd.
Focus: Erecting wall panels at forebay tank and progressing electrical and plumbing activities

4 Williams Creek Pump Station (WCPS)

Ongoing: Archer Western Construction, LLC is constructing WCPS located in El Paso County 6 miles south of Squirrel Creek Rd. and 5 miles east of Interstate 25.
Focus: Drilling and pouring piers for pump station and completing concrete pour of discharge valve vault walls

3 South Pipeline (S)

Complete: S1 (HCP Constructors), S2 (Garney Construction), S3 (Layne Heavy Civil, Inc.), S4A East/West (Garney Construction)
Ongoing: Garney Construction is constructing S4A Central – a 1.4-mile pipeline that tunnels under Interstate 25, two railroads, and Fountain Creek and extends from west of Interstate 25 to east Hanover Rd.
Focus: Progressing tunnel operations and completing grouting and inspections of pipe east of the tunneling retrieval shaft

2 Juniper Pump Station (JPS)

Ongoing: Archer Western Construction, LLC is constructing JPS located in Lake Pueblo State Park near the base of Pueblo Dam.
Focus: Assembling, installing, and backfilling 72-inch pipes and commencing electrical and plumbing activities

1 Pueblo Dam Connection (PDC)

Complete: PDC1A (ASI Constructors)
Ongoing: Garney Construction is constructing PDC1B – a 0.3-mile pipeline that will connect the new outlet works (PDC1A) at Pueblo Dam to JPS and the Pueblo West Pump Station.
Focus: Completing construction and site restoration