

SOUTHERN DELIVERY SYSTEM

Business Outreach Semi-Annual Report



The Southern Delivery System (SDS) is a regional project to bring Arkansas River water stored in Pueblo Reservoir to Colorado Springs, Fountain, Security, and Pueblo West. 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 business outreach accomplishments from January through June 2015 .

Key Accomplishments

- About \$551 million in SDS spending has benefitted the Colorado economy, including \$343 million spent in southern Colorado.
- All 50-miles of pipeline is now installed; SDS staff held an event in March to celebrate this significant milestone (see below).
- The SDS Water Treatment Plant (WTP) achieved 86 percent construction completion and the three raw water pump stations achieved 89 percent construction completion through June 2015.

SDS Completes 50 Miles of Pipeline



SDS team at celebration event for last piece of pipe

The SDS reached a key milestone on March 18, 2015 celebrating the completion of a major portion of the \$829 million project. Since construction began in 2010, more than 7,000 sections of mostly 66-inch diameter pipeline has been installed in both Pueblo and El Paso counties. SDS is now closer to delivering water to Colorado Springs, Fountain, Security, and Pueblo West.

Since beginning construction in 2010, \$204 million of SDS expenditures have been for pipeline construction. Much of this has directly benefitted a host of Colorado companies. For example, Northwest Pipe's Denver factory manufactured almost all of the 50 miles of pipeline. For ASI Constructors, a Pueblo West company, the SDS Program meant a successful business opportunity quite close to home. The company was the primary contractor for both the connection to Pueblo Dam, as well as 12 miles of pipeline. "It's generated \$50 million in contract values for our company," stated John Bowen, president of ASI.

Through contracting with ASI, the SDS Program has contributed to \$800,000 in wages for ASI workers. ASI, along with Layne Heavy Civil and Garney Construction, were the three prime contractors for all of the SDS pipeline construction, utilizing more than 100 Colorado businesses in the process. "The pipe is the main artery for this water project and we are extremely pleased with how the pipeline construction went," said John Fredell, SDS Program Director. "This is our final year of construction on SDS and we're projecting completion nearly \$150 million (approximately \$156 million) under budget."

Workshops and Presentations

SDS staff are active with a variety of organizations that help promote involvement of area businesses in construction. Below is a list of events from the first two quarters of 2015.

- Jan. 16:** Colorado Springs Rotary Club presentation
- Jan. 22:** American Water Works Association Joint Technical Advisory Committee presentation
- Jan. 28:** Colorado Water Congress presentation
- Feb. 03:** City of Fountain presentation
- Feb. 11:** Colorado Springs Regional Business Alliance presentation
- Feb. 23:** Colorado Springs Kiwanis presentation

- Feb. 25:** Colorado State University - Outdoor Resource Management workshop
- March 18:** SDS pipe completion celebration
- March 23:** National Water Resource Association presentation
- April 15:** JP Morgan Chase presentation
- May 13:** Pueblo West Rotary Club presentation
- May 29:** Security Water District presentation
- June 10:** American Water Works Association Annual Conference and Exposition presentation

Business Publicity

Publicity provides SDS with a platform to further communicate about opportunities for local businesses. Below are examples of publicity for the first two quarters of 2015.

More than 10 local media outlets published news stories about completion of the 50-mile SDS pipeline.

Pueblo Chieftain

March 19: Local company thrived on SDS

ENR Mountain States

April 20: First Phase of Southern Colorado Water Project Nears Completion

Dig Different

April 28: Contractor Rethinks Pipeline Bore, Saving \$10 Million

FF Journal

May 2015: A weld runs through it

Colorado Springs Independent

June 17: Pumping up

Municipal Sewer & Water

June 22: Planning, Partnerships Make 50-mile Water Pipeline Successful



Last piece of pipe to complete the 50-mile pipeline

eNews

eNews articles are written by SDS staff to relay timely project updates to the public. These articles can be found on SDSwater.org.

Jan. 14: SDS Wraps Up Another Successful Year

March 6: Cranes Removed: Final Stretch for Water Treatment Plant Construction

March 16: SDS Completes Tunnel, Connecting Pipeline

March 18: End of the Pipeline, Southern Delivery System Regional Water Project Concludes 50 Miles of Pipeline Construction

March 19: SDS Concluding 50 Miles of Pipeline Construction

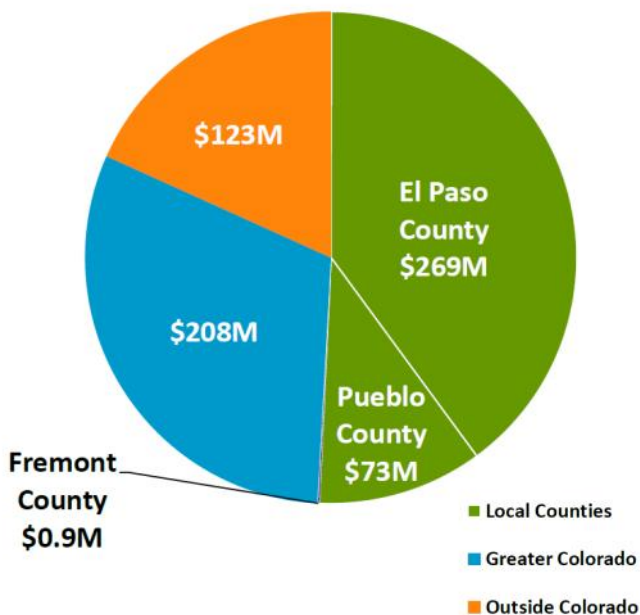
April 22: SDS Marks Earth Day with Spotlight on Environmental Improvements

June 1: SDS Pumped Up!

SDS Spending and Business Involvement Metrics

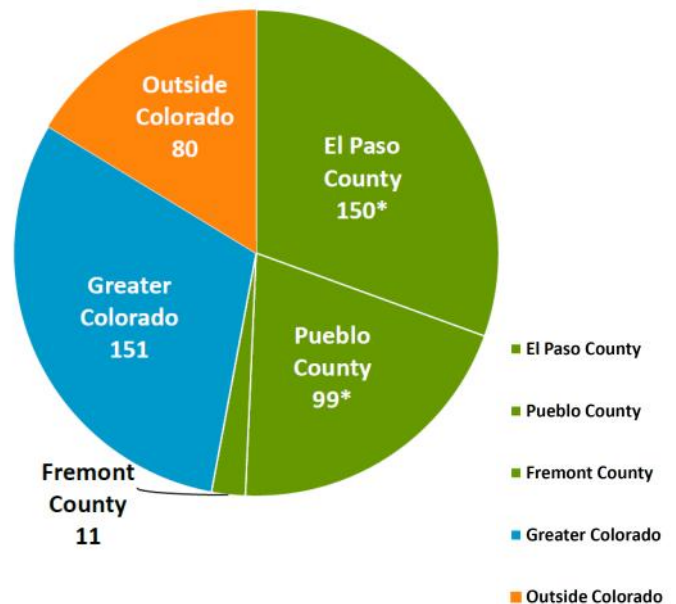
The charts below summarize the benefits of SDS to the region. Of the \$674 million spent through June 2015, about 82% of that total benefitted Colorado, with 51% benefitting the local counties of Pueblo, El Paso, and Fremont. An additional 31% benefitted other counties within Colorado. There have been approximately 491 businesses and organizations that have supported SDS, with 53% of the support coming from local counties and 31% coming from other counties within Colorado.

Distribution of SDS Expenditures



[Link to Local Businesses Supporting SDS](#)

Distribution of Businesses/Organizations Supporting SDS



*About 40 businesses and organizations are active in multiple locations that primarily benefit Pueblo and El Paso counties.