

SOUTHERN DELIVERY SYSTEM

Final Business Outreach Report



The Southern Delivery System (SDS) is a regional project that conveys Arkansas River water stored in Pueblo Reservoir to Colorado Springs, the City of Fountain, Security Water District, and Pueblo West Metropolitan District. Phase 1 of this multi-phase project began commercial operation in April 2016 and includes all of the components necessary to deliver water to the partner communities. This report summarizes business outreach accomplishments from July 2015 through April 2016.

Key Accomplishments

- Approximately \$598 million in SDS spending has benefitted the Colorado economy, with \$373 million spent in Southern Colorado.
- A total of 530 businesses and organizations have worked on SDS since 2002, with 51 percent coming from Fremont, Pueblo, and El Paso counties.
- The SDS began delivering water on April 28, 2016 to homes and businesses in Colorado Springs, Colo.

SDS Delivering Water, Delivering on Economic Promises



Jerry Forte speaking at SDS event

Construction on Phase 1 of SDS is complete \$160 million under budget, on schedule, and with approximately \$373 million in spend that has benefitted the economies of Fremont, Pueblo, and El Paso counties.

“SDS is a historic project,” Colorado Springs Utilities Chief Executive Officer Jerry Forte said. “I’m proud to say that we have not only delivered the largest construction project in our history under budget and on time, but also have given back to the community through keeping business in the state that has been a tremendous benefit to our local economies during an economic downturn. That is truly what makes us special.”

Since 2002, SDS staff have tracked financial information for the Program to gauge local and state-wide business participation. Approximately 36,688 transactions have been tracked to date, providing SDS and the public an inside view of the Program’s financial distribution. Of the \$725 million spent for SDS through March 2016:

- More than 80 percent has benefitted Colorado businesses
- More than 50 percent has benefitted businesses in Fremont, Pueblo, and El Paso counties
- The remaining \$100 million (out of the \$825 million total budget) will be spent on mitigation projects, Program closeout, and final land acquisition activities for Phase 2.

History in the Making

One of the largest water infrastructure projects completed by Colorado Springs Utilities began delivering water April 28, 2016. The commencement of SDS culminates decades of planning and nearly six years of construction ([see video](#)). Not only does SDS meet the immediate and future water needs of Colorado Springs and its project partners through 2040, it also increases system reliability should other parts of the water system need maintenance or repairs. The project will also help provide drought protection, a significant benefit in the arid west.

“SDS is one of the most important projects many of us will ever work on,” said Jerry Forte. “This is a legacy project — one that benefits so many people today, tomorrow, and for generations to come. This is an amazing day for our organization and for Southern Colorado.”



SDS Program Team celebrates successful startup

Top Spend by County, State

Construction contracts for SDS were setup to encourage local spend to subcontracting businesses in the three-county area (Fremont, Pueblo, and El Paso counties) as a way for the Program to keep its commitment to the communities that SDS would provide an economic benefit during construction. SDS set a goal for 30 percent of its budget to benefit these communities. SDS has met and surpassed that goal, contributing about 45 percent (or \$373 million) of its budget to subcontracted businesses in southern Colorado.

- Top Business Spend in Fremont County: GRS Landscaping & Materials
- Top Business Spend in Pueblo County: HD Supply Waterworks
- Top Business Spend in El Paso County: McDade-Woodcock

"We're a local company of 15 years, and working on a project the size of SDS helps us attract more business to continue working here for years to come."

- Pat Danenberg, McDade-Woodcock Project Manager

Raw and Finished Pipelines



Work began in February 2011 and finished March 2015. Garney Construction, Layne Heavy Civil, and HCP Constructors performed more than \$200 million in work as the prime contractors for the 50 mile pipeline.

Top 3 local business spend for pipelines* :

1. Transit Mix Concrete Company
2. Rocky Mountain Premix
3. HD Supply Waterworks

*Excludes pipeline production cost

Pueblo Dam and Fountain Creek Realignment



Work began at Pueblo Dam May 2011 and finished June 2014; Fountain Creek Realignment work began in December

2013 and finished May 2014. ASI Constructors was the prime contractor for PDC1A that totaled \$6.3 million in construction; Garney Construction was the prime contractor for PDC1B that totaled \$9.1 million in construction; and Wildcat Construction was the prime contractor for Fountain Creek Realignment that totaled \$4.2 million in construction.

Top 3 local business spend for Pueblo Dam & Fountain Creek:

1. HCP Constructors
2. Springs Fabrication
3. Seedmasters

"SDS came at a great time for the regional business community, helping to offset impacts from a stagnant economy. We were fortunate to have played such a large role in construction and take pride in knowing the importance this system plays for the areas water providers."

- Dan Monks, R E Monks Construction Owner

"The SDS project is an investment in regional water infrastructure that will provide our community the continued ability to grow in the coming decades, while competing communities struggle to provide water security."

- John Bowen, ASI Constructors President

Raw Water Pump Stations



Work began in June 2013 and reached Substantial Completion March 2016. Archer Western Construction was the prime contractor for all three pump stations that totaled \$81 million in construction.

Top 3 local business spend for RWPS:

1. McDade-Woodcock
2. HD Supply Waterworks
3. R E Monks Construction

Water Treatment Plant



Work began in January 2013 and reached Substantial Completion April 2016. McCarthy Building Companies and Carollo Engineers were the design-build contractors for the plant that totaled \$125 million in construction.

Top 3 local business spend for WTP:

1. McDade-Woodcock
2. R E Monks Construction
3. Rocky Mountain Premix

Business Publicity

Publicity provides SDS with a platform to further communicate about opportunities for local businesses. Below are examples of publicity from July 2015 - April 2016.

Colorado Springs Independent

Jan. 26: Water treatment plant nearly finished

The Denver Post

April 18: Colorado Springs ready to turn on \$825 million river water siphon

The Gazette

August 10: Colorado Springs-area water project leaders excited to put Southern Delivery System to the test

Sept. 9: Colorado Springs celebrates progress

Feb. 25: Colorado Springs water project bails out Pueblo West

April 27: Long-awaited water project ready to pump water throughout southern Colorado

The Independent

April 27: SDS on track

KOAA

April 26: Southern Delivery System goes online this week

KRDO

April 26: Southern Delivery System switches on this week

April 27: New SDS Pipeline opens today

Pueblo Chieftain

July 18: Pipeline problem in Pueblo West

April 27: Southern Delivery System to be turned on today after decades

eNews

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

July 23: SDS Supplies Pueblo West Water During Emergency

August 13: SDS: Preparing for Water Startup

Sept. 24: Recycled SDS Fencing Benefits Pueblo Habitat for Humanity

Dec. 28: SDS Wraps Up Busy 2015

Feb. 24: SDS Averts Pueblo West Water Emergency

April 11: Stormwater Agreement Advances Between Colorado Springs and Pueblo County

April 18: Water Treatment Plant Named to Honor Water Leader Edward W. Bailey

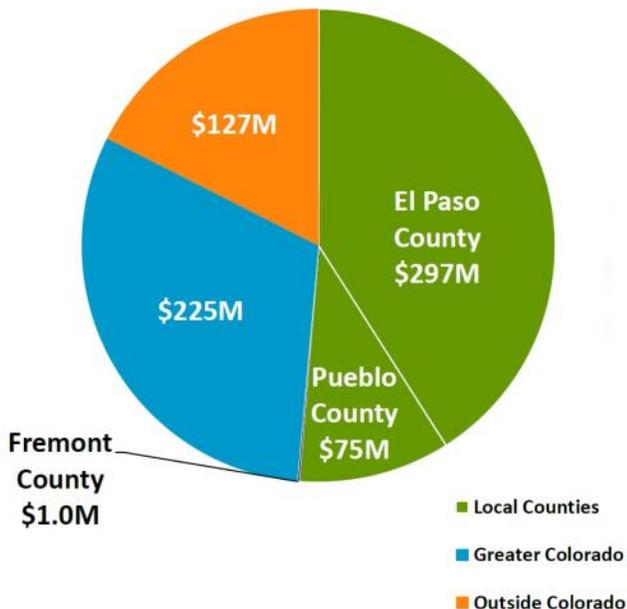
April 25: Pueblo County Approves Colorado Springs Stormwater Agreement

April 28: SDS Starts Water Delivery Today!

SDS Spending and Business Involvement Metrics

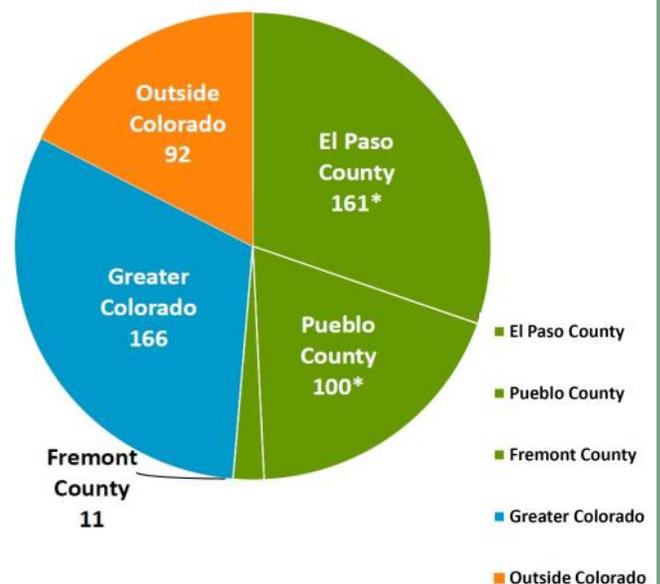
The charts below summarize the benefits of SDS to the region. Of the \$725 million spent through March 2016, 82 percent of that total benefitted Colorado, with 51 percent benefitting the local counties of Pueblo, El Paso, and Fremont. An additional 31 percent benefitted other counties within Colorado. There have been approximately 530 businesses and organizations that have supported SDS, with 51 percent of the support coming from local counties and 31 percent 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.

