



Colorado Springs Utilities
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May 5, 2010

Sal Pace
State Representative
Colorado State Capitol
200 East Colfax Avenue
Room 271
Denver, Colorado 80203

Dear Representative Pace:

I am responding to your letter dated April 23, 2010 to representatives with the U.S. Bureau of Reclamation, U.S. Army Corps of Engineers and U.S. Environmental Protection Agency regarding the Southern Delivery System (SDS) and the Colorado Springs Stormwater Enterprise. The vote that led to the phase out of the Stormwater Enterprise last November has already been discussed with each of these entities as well as the parties you copied on the letter.

There is a misconception that the phase out of the Stormwater Enterprise in Colorado Springs means stormwater management will stop. That is not correct. Colorado Springs' stormwater control measures for new development are totally independent from the Stormwater Enterprise, and will remain in effect and will be enhanced.

The City imposes requirements on all new developments to address runoff quantity and quality impacts. The development controls, which remain in place, require that development activities mitigate conditions that might have an impact downstream. Furthermore, a major effort to update and tighten drainage controls and criteria is underway and will be funded. Specific areas being examined include emphasizing low impact development and updating stormwater detention strategies.

The Fountain Creek Watershed Flood Control and Greenway District has expressed its intention to endorse these strict state-of-the-art development controls for adoption throughout the Fountain Creek Watershed. This effort is the most critical component of meeting 11 of the 33 regionally developed goals of the Fountain Creek Vision Task Force and 9 of the 17 recommendations of the Army Corps of Engineers for the Fountain Creek Watershed.

The drainage basin planning studies conducted by the City of Colorado Springs over the years identified a number of capital projects along drainage ways within the city. These capital projects, which you refer to in your letter, were being funded by the Stormwater

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Enterprise. These projects were intended to address issues with our existing stormwater infrastructure because new development will continue to be responsible for addressing impacts it creates. Among the nearly \$20 million in capital projects that have already been completed, many will benefit the Pueblo community because they are on the mainstem of Fountain Creek and the main tributaries to Fountain Creek. The projects that are not yet funded have more of a localized impact, with fewer benefits to downstream communities.

Colorado Springs Utilities believes that stormwater projects should be a component of integrated stormwater management. However, focusing solely on stormwater control in Colorado Springs alone will not address all the problems on Fountain Creek. Many of the issues are associated with growth in outlying areas and need to be addressed as part of a broader solution. Through regional cooperation, we can begin to solve this problem in an effective way. Colorado Springs supported the creation of the Fountain Creek Watershed, Flood Control and Greenway District for that very reason and has openly supported solving these issues through the District.

There are controls in both the Pueblo County 1041 Permit and the Record of Decision to ensure that impacts associated with SDS contributions to the flows in Fountain Creek will be monitored and addressed.

The Final Environmental Impact Statement (FEIS) and Record of Decision (ROD) for SDS was the culmination of an exhaustive 5½ year study costing nearly \$17 million. The analysis concluded that, even when fully operational, SDS return flows will have a very small impact on storm flows. As noted above, the majority of the controls referenced in the FEIS will continue regardless of the Stormwater Enterprise being phased out.

To address stormwater flows that may result from new development served by SDS, Pueblo County and Colorado Springs Utilities agreed to include language in the 1041 Permit that addresses the issue. The Pueblo County 1041 Condition 23 states, “The applicant must maintain stormwater controls and other regulations intended to ensure that Fountain Creek peak flows resulting from new development served by SDS project within the Fountain Creek basin are no greater than existing conditions.” We are required to meet these conditions to comply with our permit (1041 SDS Terms and Conditions, Pages 12-13). This condition has also been included as a condition of our approval from the Fountain Creek District. Contrary to the views expressed by some, this condition remains in our 1041 Permit, and we continue to respect and comply with its specific terms. Please note that it does not specify a particular funding source for these actions.

As you know from your involvement in the legislation that created the Fountain Creek Watershed, Flood Control and Greenway District, the very purpose of this District is to protect Fountain Creek. Late last year, Colorado Springs Utilities embarked on the process of obtaining approval for SDS from the Fountain Creek District. We presented to the Technical Advisory Committee, Citizen’s Advisory Group and Board on five separate occasions and on January 22, 2010, received unanimous approval of SDS by the Board. All of these meetings were open to the public and public comment was accepted. The approval was made after much discussion and with the knowledge that the Stormwater Enterprise was being phased out. It was the consensus of

the Board that the conditions set forth in the Pueblo County 1041 Land Use Permit were sufficient to ensure protection on Fountain Creek from SDS.

In addition to the Fountain Creek District's approval, SDS has obtained its major approvals and permits required, including those from Pueblo County, El Paso County, the Bureau of Reclamation, the U.S. Army Corps of Engineers, the Colorado Department of Public Health and Environment and the Colorado Wildlife Commission.

In these permits, there is extensive mitigation funded by Colorado Springs to protect your constituents and all of the citizens in the Fountain Creek drainage and the Arkansas Basin. But it is critical for everyone to remember, that much of the mitigation, including \$50 million for projects to improve erosion, sedimentation, water quality and flood control on Fountain Creek, is dependent on the construction of the SDS project. The analysis you propose is unnecessary and will only delay significant measures we have agreed to that ensure project impacts are appropriately mitigated.

The study that you have requested at this late stage will undoubtedly reach the same conclusions that have already been reached by the numerous permitting entities, and will only serve to delay a project that is critically important to the communities of Colorado Springs, Security, Fountain and Pueblo West. In order to meet our communities' needs for water and the specific permit requirements imposed by Pueblo County, construction must begin this summer. In addition, the public health importance of this project, as a redundant delivery system for Colorado Springs, was brought home with a crash last week when a boulder landed on our Homestake Pipeline, putting it out of service for weeks while crews make repairs. As you know, the Homestake Pipeline is the major source of water for our city.

The regional benefits of SDS, which have been touted as one of the major strengths of this project, are beginning to be realized. Local firms are being selected to build major components of the project. Jobs are being created and money will soon be entering the economies of local communities, including Pueblo County.

It is our firm belief and commitment that the measures put in place through the 1041 permit and the ROD, as well as the numerous other agency permits and approvals, will adequately address the impacts of the SDS project. We are doing our part to address regional water quality and quantity issues, and will continue to work with Pueblo and other stakeholders in the watershed to identify additional opportunities for regional collaboration and solutions.

Sincerely,



Bruce McCormick
Chief Water Services Officer

Enclosures

References and Attachments

Pueblo County 1041 Terms and Conditions
Southern Delivery System Record of Decision

cc: (without enclosures) by email and mail:

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