

SOUTHERN DELIVERY SYSTEM | eNews May 14, 2010

City Council approves initial water rate phase-in to fund SDS and current water system: On Tuesday, May 11, the Colorado Springs City Council approved a phased-in water rate case that will fund initial construction of the [Southern Delivery System](#) (SDS) and costs for operating and maintaining the [existing water system](#).

Supporting a motion made by Councilmember Bernie Herpin, the Council voted 8-1 in favor of 12% water rate increases for 2011 and 2012. The change will add about \$4.42 to the typical monthly residential bill starting in January 2011 and another \$4.96 to the monthly bill beginning January 2012 – increasing the overall utilities bill by less than 3 percent each year. While not part of this rate case, similar adjustments will be needed through 2016.

SDS Phase I is estimated to cost \$880 million in 2009 dollars, which includes construction of the core components needed to provide water delivery: the connection to Pueblo Dam, 62 miles of buried pipeline, three pump stations and a water treatment plant. Water delivery through the SDS system is scheduled to begin in 2016. The 2016 in-service date allows Colorado Springs to meet water demand, level out rate impacts for customers and take advantage of lower lending rates currently available.

“Our charge as a Utility is to provide a reliable water supply for our customers and plan ahead for future needs,” said CEO Jerry Forte. “The Southern Delivery System is a significant and important project that will ensure we can deliver water for many generations to come. More than 10 years ago, we laid out a plan to build this project. Over the last several years, we have overcome considerable challenges to put us in the position we’re in today – on the verge of constructing one of the most important water projects in the state.”

- Read the recent guest editorial by CEO Jerry Forte in the Colorado Springs Business Journal: [SDS will deliver major benefits for decades](#)

Construction of SDS will begin following the completion of negotiations with the Bureau of Reclamation for SDS-related water storage, conveyance and exchange contracts.

SDS to increase system reliability for current and future customers: With no major river bringing water to our community, Colorado Springs has built a [complex system](#) of reservoirs, pipelines and pump stations to deliver water from the Continental Divide. SDS will provide additional water for generations to come and provide a backup to our existing water system. The Homestake pipeline, which delivers up to 70 percent of our water supply, is [currently being repaired](#) after being struck by a falling boulder in the mountains.

For more information on the Southern Delivery System, visit www.sdswater.org

Southern Delivery System | eNews is an electronic newsletter designed to keep interested public officials and members of the public up to date on developments associated with the Southern Delivery System. Please forward it to anyone you think would be interested. Contact us at sdsinfo@csu.org to subscribe or unsubscribe.

© 2010 Colorado Spring Utilities
Reprints with attribution to Colorado Springs Utilities permissible

For more information, please contact us:

Southern Delivery System
P.O. Box 1103, MC 930
Colorado springs, CO 80947
719-668-7582
866-719-4SDS (4737) toll free
sdsinfo@csu.org

Media contact: 719-668-3848