UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8
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DENVER, CO 80202-1129
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MAY 24 2010

Ref: 8EPR-N

The Honorable Sal Pace
Colorado House of Representatives
Colorado State Capitol
200 East Colfax Avenue, Room 271
Denver, CO 80203

Re: Letter Concerning the Southern Delivery System Project and the Revocation of the Stormwater Enterprise

Dear Representative Pace:

Thank you for your April 23, 2010 letter sharing your concerns about the Southern Delivery System (SDS) project and the revocation of Colorado Springs' Stormwater Enterprise. I understand and appreciate your interest and would like to explain the role of the U.S. Environmental Protection Agency (EPA) in this process. As a Collaborating Agency during the National Environmental Policy Act (NEPA) process for this project, EPA worked closely with U.S. Bureau of Reclamation (Reclamation), providing input throughout the process to ensure that potential project impacts to the human health and the environment were addressed. EPA made several recommendations throughout the NEPA process for Reclamation to conduct additional analyses of water quality impacts, which they did.

The participants in the SDS project and Reclamation made commitments regarding mitigation and adaptive management processes to protect water quality that were discussed in both the Final Environmental Impact Statement and the subsequent Record of Decision (ROD). The issuance of the ROD completed the NEPA process. As noted in our January 22, 2009 letter, EPA concluded that the detailed mitigation commitments provided in the FEIS would address the water quality impacts projected to result from the SDS project. Reclamation carried forward these commitments into the

SDS ROD. EPA does not believe that the revocation of Colorado Springs' Stormwater Enterprise in December 2009 affects these commitments made by the SDS participants to protect water quality.

Please do not hesitate to contact me at 303-312-6004 if you have additional questions or concerns.

Sincerely,

Larry Svoboda
Director, NEPA Compliance and Review Program
Office of Ecosystems Protection and Remediation

DEPARTMENT OF THE ARMY
ALBUQUERQUE DISTRICT, CORPS OF ENGINEERS
4101 JEFFERSON PLAZA NE
ALBUQUERQUE, NEW MEXICO 87109-3435

Executive Office

MAY 20 2010

Honorable Sal Pace
State Representative
Colorado State Capitol
200 East Colfax Avenue, Room 271
Denver, CO 80205

RE: Southern Delivery System Permit Application SPA-1995-00131-SCO

Dear Mr. Pace:

This letter responds to your correspondence of April 23rd recommending we reconsider our permit decision for the Southern Delivery System (SDS) project due to the City of Colorado Spring's revocation of its Stormwater Enterprise. We appreciate your concerns with how revocation of the Stormwater Enterprise adds to the challenge of dealing with a host of storm water related issues in the Fountain Creek basin.

We have reviewed the conditions associated with implementing the Bureau of Reclamation's Record of Decision and Pueblo County's 1041 permit for the SDS project. We believe the conditions incorporated into these documents designed to protect water quality and channel integrity in Fountain Creek can be satisfied without a Stormwater Enterprise in Colorado Springs. The conditions associated with our Clean Water Act Section 404 permit, which deal primarily with direct physical impacts from project construction, are also unaffected by the demise of the Stormwater Enterprise. The loss of the Stormwater Enterprise adds to Colorado Springs Utilities' challenge in meeting relevant conditions of the various authorizations for SDS, but does not preclude it. Accordingly, after consideration of all of the facts, we have decided not to modify our authorization for the project.

If you have questions, please contact Allan Steinle, Chief, Regulatory Division at (505)342-3282 or allan.e.steinle@usace.army.mil.

Sincerely,

Kimberly M. Colloton
Lieutenant Colonel, U.S. Army
District Commander

Mailed 5/21

United States Department of the Interior

BUREAU OF RECLAMATION
Eastern Colorado Area Office
11056 West County RD 18E
Loveland, Colorado 80537-9711

MAY - 4 2010

IN REPLY
REFER TO:
EC-1002
ENV-6.00

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

Subject: Letter Concerning Revocation of Stormwater Enterprise-Southern Delivery System, Colorado

Dear Mr. Pace:

Thank you for your letter of April 23, 2010, wherein you outline several concerns regarding Fountain Creek and the proposed Southern Delivery System. I understand and appreciate your interest and want to assure you that your concerns have been taken into consideration and addressed by Reclamation's environmental compliance process.

The participants in the Southern Delivery System project must implement the environmental and permitting requirements as outlined in the Record of Decision (ROD) for the project approved in March 2009. Those commitments are unchanged and remain in effect. There are measures in place to reassure that mitigation measures identified in the ROD will be in compliance for the life of the contract.

For additional questions or concerns, please feel free to contact Jaci Gould at (970) 962-4338.

Sincerely,

Michael P. Collins
Area Manager