



Colorado Springs Utilities

It's how we're all connected

March 26, 2008

Mr. Kim B. Headley
Director of Pueblo County
Planning and Development
229 West 12th Street
Pueblo, CO 81003

Subject: Pre-Application Summary for the Southern Delivery System Project and
Request for Finding Of No Significant Impact ("FONSI")

Dear Mr. Headley:

Colorado Springs Utilities, on behalf of project participants, is proposing to construct, operate, and maintain the Southern Delivery System (SDS) Project, a regional water delivery system that will bring municipal water from the Arkansas River to the communities of Colorado Springs, Pueblo West, Fountain, and Security.

The purpose of this letter and enclosures is to provide a summary of the portions and components of the Project to be located in Pueblo County, and to request that the County issue a Finding Of No Significant Impact ("FONSI") under Pueblo County's Land Use Code.

If a FONSI is not issued, Colorado Springs Utilities will submit an application on behalf of project participants for a permit for the components of the SDS Project to be physically located within Pueblo County under Title 17, Division II of Pueblo County's Land Use Code.

Applicant

The Applicant's point of contact information is:

Colorado Springs Utilities

John Fredell
Southern Delivery System Project Director
Plaza of the Rockies, 3rd Floor
121 S Tejon, MC930
Colorado Springs CO 80947-0930
Phone: (719) 668-8037
Fax: (719) 668-8734
E-mail: jfredell@csu.org

SDS Project Summary

There are four SDS project participants: the City of Colorado Springs, City of Fountain, Security Water District, and Pueblo West Metropolitan District. On behalf of the Participants and in accordance with mutual agreements with Participants, Colorado Springs

Utilities is the Applicant. The proposed project begins in Pueblo County at the Pueblo Reservoir outlet works and extends north to the Pueblo County Line.

Project components located within Pueblo County are as follows:

- Approximately 2,200 feet of buried, 78-inch diameter welded steel pipe capable of conveying 96 million gallons per day and approximately 1,100 feet of buried, 72-inch diameter welded steel pipe capable of conveying 78 million gallons per day of raw water
- Two proposed turnouts along the 78-inch diameter reach of pipe: 1) 78-inch x 72-inch tee for future North Outlet Works Connection, and 2) 78-inch x 36-inch tee for Pueblo West Turnout
- Approximately 160 feet of buried, 36-inch diameter, welded steel pipe capable of conveying 18 million gallons per day of raw water to the existing Pueblo West Pump Station
- Approximately 18.4 miles of buried, 66-inch diameter welded steel pipe (raw water pipeline) capable of conveying 78 million gallons per day of raw water
- Various buried raw water pipeline appurtenances and structures including access manways, blow off manholes, combination air release valve vaults, and isolation vaults
- A 78 million gallons per day pump station, Juniper Pump Station (JPS), equipped with seven 3,000-horsepower (hp) vertical turbine pumping units (six duty with one standby)
- Approximately 21.4 miles of fiber optic cable that parallels the raw water pipeline

The majority of the raw water pipeline alignment within Pueblo County will parallel existing utilities. The existing utilities consist of underground water pipelines, underground gas pipelines, and overhead electric transmission lines.

Most pipeline components in Pueblo County will be located underground. The raw water pipeline will be buried and the grading will be returned to pre-construction conditions after construction.

The anticipated area of permanent easement required for the raw water pipeline is approximately 238 acres. An additional 92 acres is required for temporary construction easement for the construction of the raw water pipeline.

Creeks, drainages, and roads will be required to be crossed with the raw water pipeline as shown on the attached maps. Colorado Springs Utilities will negotiate with property owners to obtain required easements. Property owners will be compensated for the rights acquired to their property.

The majority of the raw water pipeline will be constructed via open cut methods. Locations proposed to be constructed with trenchless methods are shown on the preliminary plans and include crossings of:

- Juniper Road
- Union Pacific Railroad
- US Highway 50
- Platteville Blvd (at two locations)

The JPS will be located in Pueblo County on property owned by the federal government near Pueblo Reservoir and the existing Pueblo West Pump Station. The dimensions of the JPS building are estimated to be 161 feet long by 75 feet wide. The height of the facility is estimated to be approximately 42 feet between the lower level pumping room floor and the top of the parapet. The east side of the pump building is buried, with the west side pump room finished floor approximately 10 feet below grade. An office/control complex approximately 47 feet by 39 feet is attached to the south side of the pump building. The roof construction is a metal deck on open web steel joists. The building construction will consist of cast-in-place concrete and concrete masonry units.

Maps of the SDS project components in Pueblo County are provided with this letter. The maps include the proposed temporary construction easement and permanent easement boundaries for the pipeline, the surrounding topographic and cultural features, and proposed buildings, improvements, and infrastructure. Maps are provided to display project components in Pueblo County. A preliminary site plan and architectural drawings of the JPS are also provided.

Please note that this Project summary and the attachments refer in part to other documents and information, including the U.S. Bureau of Reclamation's Draft Environmental Impact Statement for the SDS project dated February 29, 2008. We refer to such documents and information solely for Pueblo County's convenience, so that the County is aware of information that is publicly available and widely distributed about the full scope of the SDS project.

As described, the pre-application summary is limited in scope to the physical components of the SDS project located within Pueblo County. Project participants understand that Pueblo County cannot regulate under Title 17, Division II of its land use code aspects of the SDS Project outside the boundaries of the county or involving the use of federal facilities.

Finally, as you are most likely aware, Colorado Springs Utilities, on behalf of project participants, is currently in litigation with Pueblo County in the Colorado Court of Appeals concerning the statutory scope of Pueblo County's powers with regard to the SDS project. This pre-application material is submitted expressly reserving, and without prejudice to, all rights and arguments in that ongoing litigation.

Request for FONSI

Colorado Springs Utilities requests that the Administrator issue a FONSI as provided by Title 17, Chapter 17.172.090.A of Pueblo County's Land Use Code and make a finding that a permit is not required for the Project under Title 17, Division II of Pueblo County's Land Use Code. The construction or operation of the SDS Project, without mitigation, in its proposed location is unlikely to have any significant adverse impact to the County in consideration of the permit application Approval Criteria in Section 17.172.130 of the Land Use Code.

The SDS Project's impact to the County will be of the same scope and magnitude as three similar pipeline projects for which the County granted a FONSI, or on other grounds determined that a permit was not required:

- (a) Pueblo West Sewer Line – Tract 234-235. The County granted a FONSI for this project by letter dated June 19, 2007. The Pueblo West Sewer Line consists of 8-, 10-, and 21-inch diameter sewer collector pipelines that total approximately 20,000 feet in length.
- (b) Pueblo Board of Water Works Expansion of Water Treatment Plant and Pipeline from Pueblo Reservoir. The County determined that Title 17, Division II did not require a permit for this project by letter dated December 10, 1998. This project included approximately 25,000 feet of 72-inch diameter raw water pipeline from Pueblo Reservoir.
- (c) Fountain Valley Conduit. By Resolution No. 111, adopted on October 16, 1975, the County designated Site Selection and Construction of Major New Domestic Water and Sewage Treatment Systems and Major Extensions of Existing Domestic Water and Sewage Treatment Systems as an activity of state interest under H.B. 1041. The Fountain Valley Conduit (FVC) was built and placed in operation after the adoption of Resolution No. 111, and was not reviewed or permitted by the County. The FVC conveys approximately 20,100 acre-feet of water annually to Fountain and other communities in El Paso County through a 45-mile long pipeline which ranges from a 42-inch to a 14-inch diameter conduit. The majority of the pipeline in Pueblo County is 42-inch conduit. The FVC begins at Pueblo Dam and runs north into El Paso County. The FVC has five pumping plants, two regulating tanks, two surge tanks (one of which, at a high point immediately to the north of Pueblo Dam, is visible for miles), four terminal tanks, flow control structures and a water treatment plant. The FVC's capacity is 31 cubic feet per second (approximately 20 million gallons per day). The FVC is similar in capacity, function, construction and location to the portions of the SDS Project to be built and located in the County.

Components of the FVC within Pueblo County include:

- Approximately 13.5 miles of 42-inch diameter pipeline with multiple manholes, blow-offs, and air valves along the pipeline route
- Approximately 7.3 miles of 39-inch diameter pipeline with multiple manholes, blow-offs, and air valves along the pipeline route
- Two pump stations and forebay tanks, and
- Two surge tanks, including the one noted above which is visible for miles.

No construction or operation of the portions of the SDS Project planned for Pueblo County will occur until the U.S. Department of Interior, Bureau of Reclamation issues a Final Environmental Impact Statement and Record of Decision (ROD) pursuant to the National Environmental Policy Act (NEPA). Adverse impacts the portions of the Project planned for

Mr. Kim B. Headley

03/26/2008

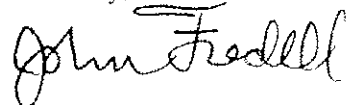
Page 5

the County may have with respect to lands, resources or persons within the County will be mitigated pursuant to the terms of the ROD. Construction and operation of the portions of the SDS Project planned for the County pursuant to the ROD are not "uncontrolled" within the meaning of H.B. 1041.

In summary, the Project will have no greater or different impact than three other projects for which the County has granted a FONSI or has otherwise excepted from permitting. Any adverse impacts will be mitigated through the ROD.

We look forward to attending the pre-application meeting requested and discussed during our conversation on March 25, 2008. Should you have any questions or need additional information please contact me at (719) 668-8037.

Sincerely,

A handwritten signature in black ink, appearing to read "John Fredell". The signature is written in a cursive style with a large, stylized initial "J".

John Fredell

Southern Delivery System Project Director

Enclosures: Project maps

Drawings

Figures