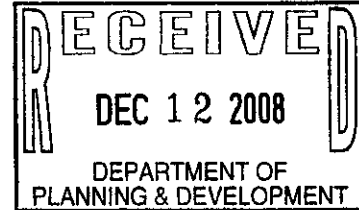


November 11, 2008

Pueblo Board of County Commissioners
215 W. 10th St.
Pueblo, CO 81003



Commissioner Anthony Nunez, District 1
Commissioner John Cordova, District 2
Commissioner Jeff Chostner, District 3

Re: SDS 1041 Permit

Dear Board of Commissioners:

As citizens of Pueblo County, we care passionately about our future and believe our best prospects for a prosperous future lie in regional cooperation. Such cooperation includes Pueblo County's consideration of the 1041 application by Colorado Springs, Pueblo West, Fountain and Security for the construction of their Southern Delivery System.

While we believe these communities deserve to optimize their water rights and enhance the secure delivery of water to their citizens, we encourage you to seek several protections for Pueblo County's interests if approval of the 1041 application is granted. These protections should include:

- Mitigation of potential negative effects of increased Fountain Creek stream flows
- Full participation in ongoing improvements in the Fountain Creek watershed
- Continued operation of the Flow Management Program on the Arkansas River through Pueblo as specified by the six party IGA

Mitigating impacts on Fountain Creek and continuing to participate in ongoing improvement efforts on the creek will enable its transformation into an economic and cultural amenity for Pueblo County residents as well as providing a regional tourist attraction with the attendant dollars that it will generate.

The continuation of the Flow Management Program that protects Arkansas River stream flows for the fisheries, environmental aesthetics and the kayak course in Pueblo will be discontinued if SDS does not originate at Pueblo Dam. The Intergovernmental Agreement that keeps more water flowing through Pueblo would not remain in force if SDS were to move to Fremont County.

The economies of Pueblo and Pueblo West are inextricably linked to the economy of Colorado Springs, as each community's individual strengths benefit the region as a whole. Given the estimate that 21 percent of the people who purchased homes in Pueblo in 2007 work in Colorado Springs, it makes sense that what adversely impacts El Paso County affects Pueblo County as well. Further, Pueblo West will benefit from SDS only if the water pipeline originates from Pueblo Dam. This system enhancement will give your constituents living in Pueblo West access to low cost water for their community and position them to grow their economy as well, benefitting the entire County.

An additional economic boon to the County is that the construction budget for SDS is \$600 million, about \$170 million of which will be for construction of the pipeline and facilities in Pueblo County. Pueblo contractors will be able to compete for this work as well as the portion that lies within El Paso County. At least 130 good-paying construction jobs will be required for the work planned for Pueblo County. Additionally, goods and services will be purchased locally for SDS, including all the services the work force will need -- gas, food, etc. -- providing a typical multiplier impact of 1.86 to benefit our community.

In short, the upsides to Pueblo County of SDS originating from the Pueblo Dam are numerous, while the downsides to forcing Colorado Springs, Security and Fountain to utilize the Fremont County 115 option are not in our economic or long-term strategic interests. It would also be unfortunate to preclude citizens of Pueblo West from a low cost water option and back up system for their community. We believe there is much at stake here.

As a result, we respectfully request that, while ensuring appropriate safeguards as mentioned above, and for the greater good of Pueblo County, you consider approval of the SDS project participants 1041 application for SDS from Pueblo Dam. Thank you.

Sincerely,

Roger H. Fowda

Chris Sackey

Ed Rubin

Lou Spiva

[Signature]

Luigi Nino

Carole Lange

Robert W. Leach

Alto Mendy Beatty

Sammon (SAMMONS)

Synda Young

Russell [Signature]

Sen. P. McCarthy

Paul Walker

Pat Elliott

Joe O'Brien

Thomas Beatty

Chuck Green

Chris Kaufman

Russell Galvo

John Young