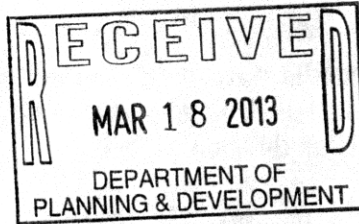




Colorado Springs Utilities

It's how we're all connected

March 14, 2013



Don Ostrander, Attorney
Duncan, Ostrander & Dingess, P.C.
3600 S. Yosemite Street, Suite 500
Denver, Colorado 80237-1829

Subject: South Raw Water Pipeline 3 Post-Construction Grading on Walker Ranches, Southern Delivery System

Dear Mr. Ostrander,

On February 13, 2013, Southern Delivery System (SDS) staff met with Mr. Gary Walker to discuss Mr. Walker's concerns about post-construction grading for SDS South Pipeline 3 across Walker Ranches. Mr. Walker expressed general concern about drainage within the re-graded area, including the influence of a two-track access road paralleling portions of the pipeline alignment and "crowning" near the pipe centerline. However, no specific adjustments to site grading were identified. Colorado Springs Utilities remains committed to working with Mr. Walker to address his concerns over post-construction restoration. Accordingly, we have evaluated conditions at the site and identified some areas where we are prepared to implement changes during the next few weeks:

- Two-Track Access Road. A two-track access road has been developed parallel to much of the pipeline alignment. Soil compaction along the road has produced a detectable depression in certain areas relative to the immediately surrounding grade. Colorado Springs Utilities will fill and regrade the impacted two-track areas to mimic the surrounding grades and reseed the area. We will also install some small soil berms across the former two-track areas to limit future drainage along the historical two-track route. Mr. Walker noted that he has some stockpiled top soil near his pond adjacent to the SDS alignment at the south end of the property that he would like used in such regrading. After inspection and confirmation that the stockpiled soil is suitable, we will incorporate that soil into the work. It should be noted, however, that Colorado Springs Utilities will use its easement across Walker Ranches for purposes of ongoing revegetation work and long-term pipeline operation and maintenance, resulting in the continued existence of a two-track road.
- Steele Hollow. The S3 construction area included a 3.2-acre crossing of Steele Hollow. The Steele Hollow crossing was constructed in accordance with a channel design permitted by the U.S. Army Corps of Engineers (Individual Permit No. SPA-2005-0013-SCO and Nationwide Permit 13). Some localized erosion is occurring along the bank beneath the erosion control blanket at the northwestern-most edge of the Steele Hollow construction area. Colorado Springs Utilities will regrade that area to direct drainage away from the affected erosion control blanket, repair the erosion, reinstall the erosion control blanket, and reseed the area.

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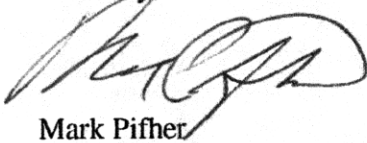
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We looked closely at any potential "crowning" and did not identify any noteworthy concerns in the field or in post-construction, detailed aerial survey data. Consequently, no grade modifications to address "crowning" are planned at this time.

During the February 13, 2013 meeting, Mr. Walker also expressed concern about design of the temporary irrigation system for revegetation. Specifically, he was concerned that the sprinkler head spacing does not create sufficient overlap in water application between sprinkler heads. The irrigation system was designed by an experienced irrigation system design engineer taking into account the specific site conditions and the intended purpose. Two groups of restoration ecologists – Colorado Natural Heritage Program (an extension of Colorado State University) and Redente Ecological Consultants, Inc. – have evaluated the site independently. Both groups provided favorable opinions with regard to site conditions and the quality of the revegetation work, and hence no irrigation system modifications are being implemented.

Colorado Springs Utilities remains committed to addressing reasonable landowner preferences for post-construction grading and to successfully revegetating the construction area. Accordingly, we will participate in a future site visit with Mr. Walker's drainage/revegetation representatives and representatives from Pueblo County to review site conditions following completion of the work described above. Please contact me at 303-668-8693 with any questions regarding this information.

Sincerely,



Mark Pifher
SDS Permitting and Compliance Manager

cc: Joan Armstrong, Pueblo County Planning
David Benbow, Pueblo County Engineering
Richard Griffith, Assistant City Attorney – Colorado Springs
Brian Whitehead, SDS Project Manager (S3)
Lyman Ho, SDS Land Acquisition Manager
Edward J. Bliezner, Welborn Sullivan Meck & Tooley, P.C.