



Southern Delivery System Update

Pueblo County Board of County Commissioners September 20, 2013

Today's Presentation

- **Introduction**
 - Jerry Forte, CEO Colorado Springs Utilities
- **Pueblo County Construction Progress**
 - John Fredell, SDS Program Director
- **Key Permit Terms and Status**
 - Keith Riley, SDS Deputy Program Director
 - Mark Pifher, SDS Permitting and Compliance Manager
- **Stormwater Task Force Progress**
 - Jan Martin, Colorado Springs City Council



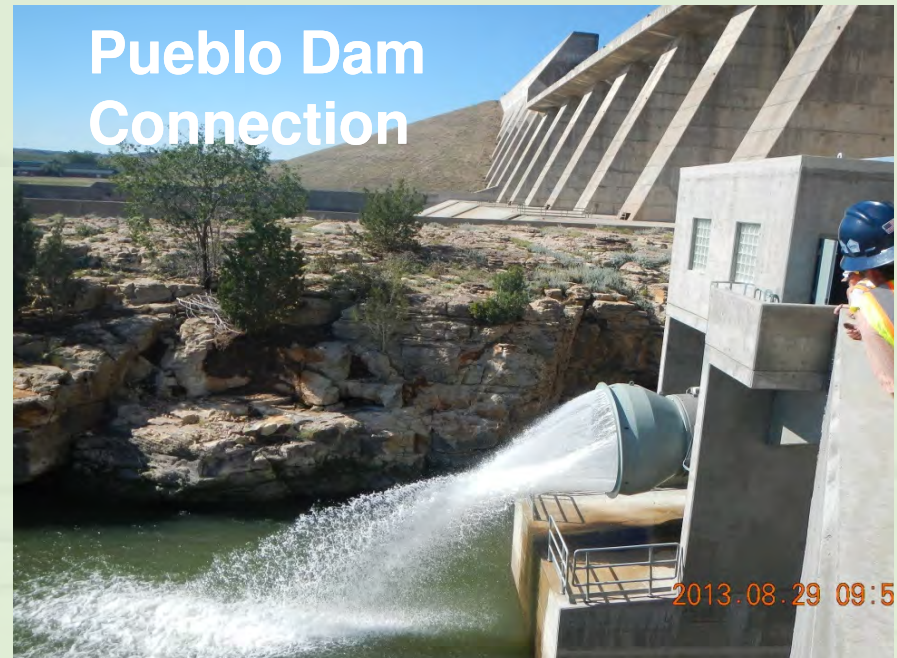
Pueblo County Construction Progress

John Fredell, SDS Program Director

- Regional project
- Pueblo County components
 - Pueblo Dam connection
 - Pump station
 - 18.4 miles pipeline
- Importance to Pueblo West
 - Additional capacity
 - Reliability



- Pueblo Dam connection completed and operating
- Beginning construction on Juniper pump station
- More than 18 miles of pipeline installed
 - Re-vegetation underway
- Remaining pipeline under construction – 0.3 miles near Pueblo Dam
 - Including tie-in for Pueblo West



Juniper Pump Station

- County final design approval in 2012
- Pre-construction activities underway
- Completion anticipated in 2015

Juniper Pump Station Rendering



Pueblo West tie-in

- Construction underway
- Completion of construction anticipated in 2014

**Contractor recognition event
Oct. 29 at Pueblo Dam**

Hiring Pueblo Residents

- Almost 100 Pueblo businesses hired to date
- Nearly \$60 million paid to businesses in Pueblo County

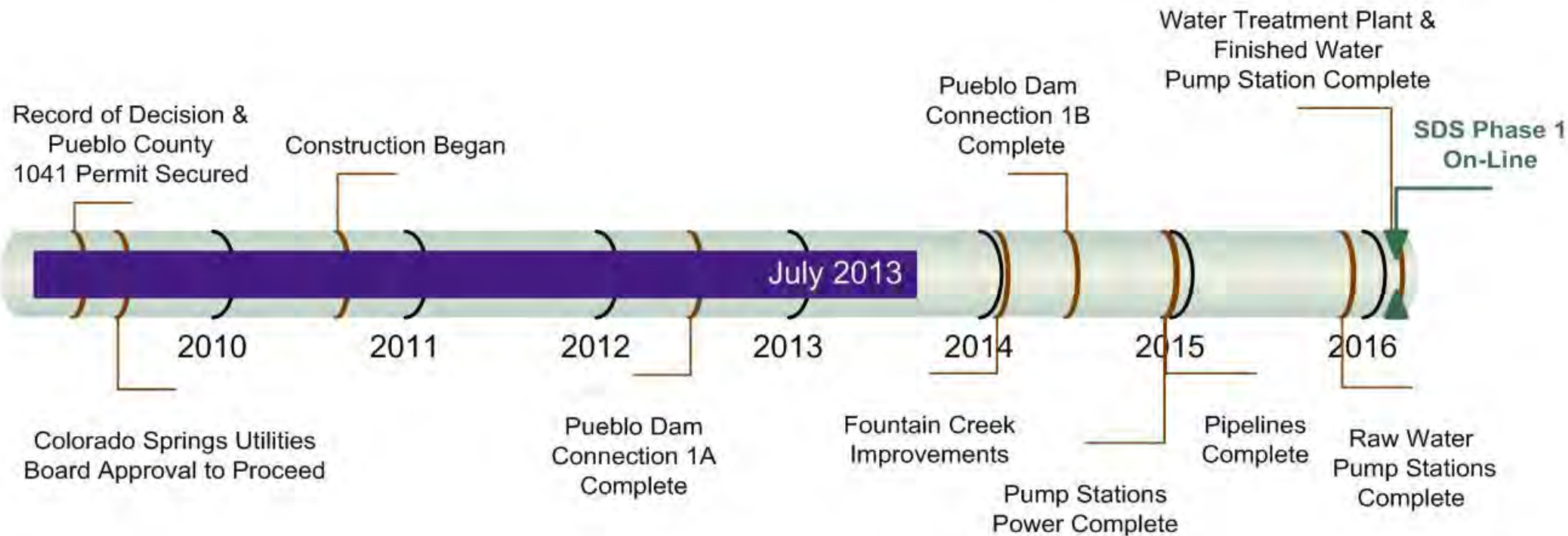
More Opportunities

- SDS job fairs – more than 100 participants
- Online database for job seekers



“In today’s economy, I need new business opportunities to survive. SDS construction has kept my business profitable and my employees busy.”

*– John Volk, co-owner
WorkZone Traffic Control, Inc.
Pueblo West-owned business*



- Completion April 2016
- Anticipate slow ramp up
- Initial CSU operation = 5 MGD
 - 78 MGD full capacity, 96 MGD with Pueblo West



Key Permit Terms and Status

Keith Riley, SDS Deputy Program Director

Mark Pifher, SDS Permitting and Compliance Manager



A diagram overlaid on a photograph of a dry, open landscape. Two red lines form a wide 'V' shape pointing towards the right. A black double-headed arrow spans the width of the 'V' at its base. Below the left half of the arrow is the text 'Permanent Easement', and below the right half is the text 'Temporary Easement'. In the background, there are several high-voltage power line towers and a few small houses on the right.

Permanent Easement

Temporary Easement

Condition 15: Land Acquisition

- 160 parcels acquired, primarily easements
- Next to existing utility corridor
- Owners paid fair market value, consistent process
- Additional compensation (e.g. fencing, trees)
- Nearly all cooperative agreements
- Eminent domain used only as last resort
- Court process: independent ruling on compensation amount

Condition 15: Land Acquisition

- Six houses acquired
 - Paid relocation costs
 - Habitat for Humanity donations
 - Emergency responder training

“This training opportunity was priceless.”

– Shawn Guthrie

***Assistant Fire Chief, Pueblo West
Pueblo West View: Sept. 15, 2011***



Firefighters relish hands-on training

The Pueblo West View, Pueblo West, Colo., Thursday, September 15, 2011 Page 7A

Homes in path of SDS pipeline used for several types of drills to sharpen skills.

By TOM PURFIELD
The Pueblo West View

Firefighters made the bang-up most of a unique training opportunity last weekend in Pueblo West.

Colorado Springs Utilities allowed fire departments from throughout the region to conduct destructive training exercises on homes that are set for demolition on Sequoia Drive and Marengo Drive to make way for the Southern Delivery System pipeline.

"This is incredible because it gives an opportunity to practice your skills that you learned in class and actually perform them on a real building," Pueblo West Assistant Fire Chief Shawn Guthrie said. "We don't have that chance unless we actually have a working fire and that's not time to practice, that's time to go to work. So this is

excellent hands-on work."

The training exercises were conducted during daylight hours on Saturday and Sunday, and after nightfall on Monday.

Crews from Pueblo West, the City of Pueblo, Pueblo Rural, Boone and West Park were some of the firefighters who took advantage of the opportunity to conduct drills that involved smashing through walls, breaking through the roof and clearing a safe path through glass windows.

"We had the opportunity to smoke it up and do building searches looking for live victims," Guthrie said. "We did vertical and horizontal ventilation drills where we released the pressure, we did emergency egress drills where we actually breach walls and make doors where there weren't any, and we're doing forcible entry work."

SDS Resident Engineer Dennis Auge was on site to ensure the fire crews had any support they needed from SDS regarding the structures or any other concerns.

Ryan Orndoff, who is enrolled in the Pueblo Rural Fire Department Academy, received a fire science degree from Casper College. He said the CSU-sponsored training was similar to much of the training he obtained while pursuing that degree.

"You get the hands-on experience. You only learn so much by what you're taught from a book in your academy," Orndoff said. "It's good to renew your knowledge every so often, to get this hands-on experience."

Orndoff said some of the more valuable aspects of the training were the smoke-filled environment that was created and the fact that it was performed in a structure where the layout was a mystery.

"It's just like going to somebody's house that you have no idea how they have their house set up. By walking the perimeter, you can get a good idea of what's inside by the layout of the house, the size of the windows, things like that," Orndoff said. "But it's really good to get

everybody out here just to renew all of our experience."

"It always reminds you of the pertinent things that you need to remember, especially when you have good instructors out here like we did today."

Guthrie said the night training Monday would provide another element, working with lights and "it ups the ante so far as taking responsibility for your personal safety."

No dollar value for the training was readily available, but Guthrie deemed it "priceless." In 14 years with PWFD, he never before had this type of opportunity in a training scenario.

Taking the avenue from the classroom into the field, without live fire and lives at stake, was possibly the most valuable aspect of the drills.

"It makes the training come full-circle. In a classroom, all you're doing is getting somebody else's description of it," Guthrie said. "This way, you realize the mechanics of it and you just put that tool in your toolbox."



A firefighter smashes a window Sunday as part of training on a Sequoia Drive home set for demolition.

REAL ESTATE

Condition 22: Pre-Construction Conditions Documented

- Professional photos/video of each property (DVDs)



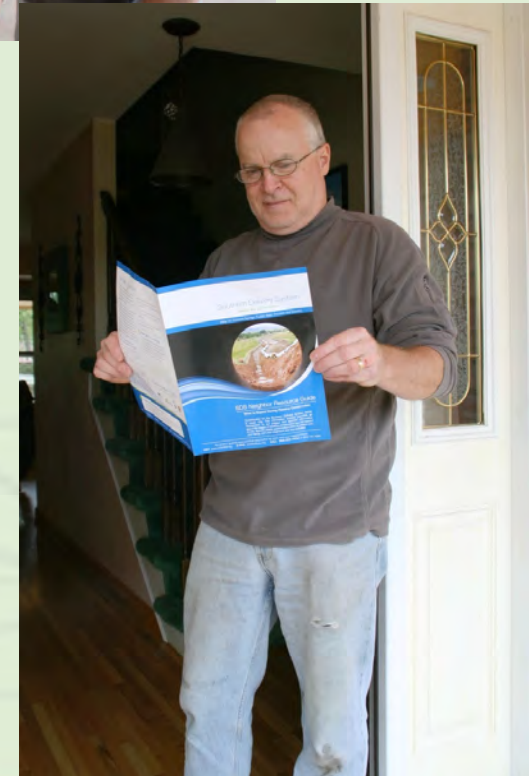
Condition 20: Construction Mitigation

- Monitoring dust, noise, vibration
- Mitigation



Condition 20: Property Owner Outreach

- Two full-time property owner liaisons
- 24/7 SDS Hotline
- Effective communication
 - Letters, postcards, newsletters
 - Door hangers
 - Phone calls, emails
 - Personal meetings, open houses
 - Emergency responders, schools



Condition 13: County Road Improvements and Restoration

- Spent \$160,000 on haul road maintenance during construction
- \$10 million paid to County for additional rehabilitation
- Remaining \$5 million to County next year



Condition 22: Reclamation of Disturbed Lands

- Experts developed plan
- Planted native grass seed, irrigation to establish
- Significant initial progress
- Ongoing maintenance, assessments
- Compensating property owners for access



Resolving issues

- **Walker Ranches**

- Grading/drainage concerns
- Additional work planned
- Experts from County, property owner, CNHP collaborating

- **Recent Storms**

- Damage to revegetation/grading
- Crews immediately repaired drainage controls
- More work scheduled once area dries out
- Working with owner on access



Condition 9: Flow Management Agreement Protects Arkansas River Flows through Pueblo

- Colorado Springs Utilities manages water operations to maintain minimum flows through Pueblo
- Curtailed exchanges every year since 2004
- Supports recreation

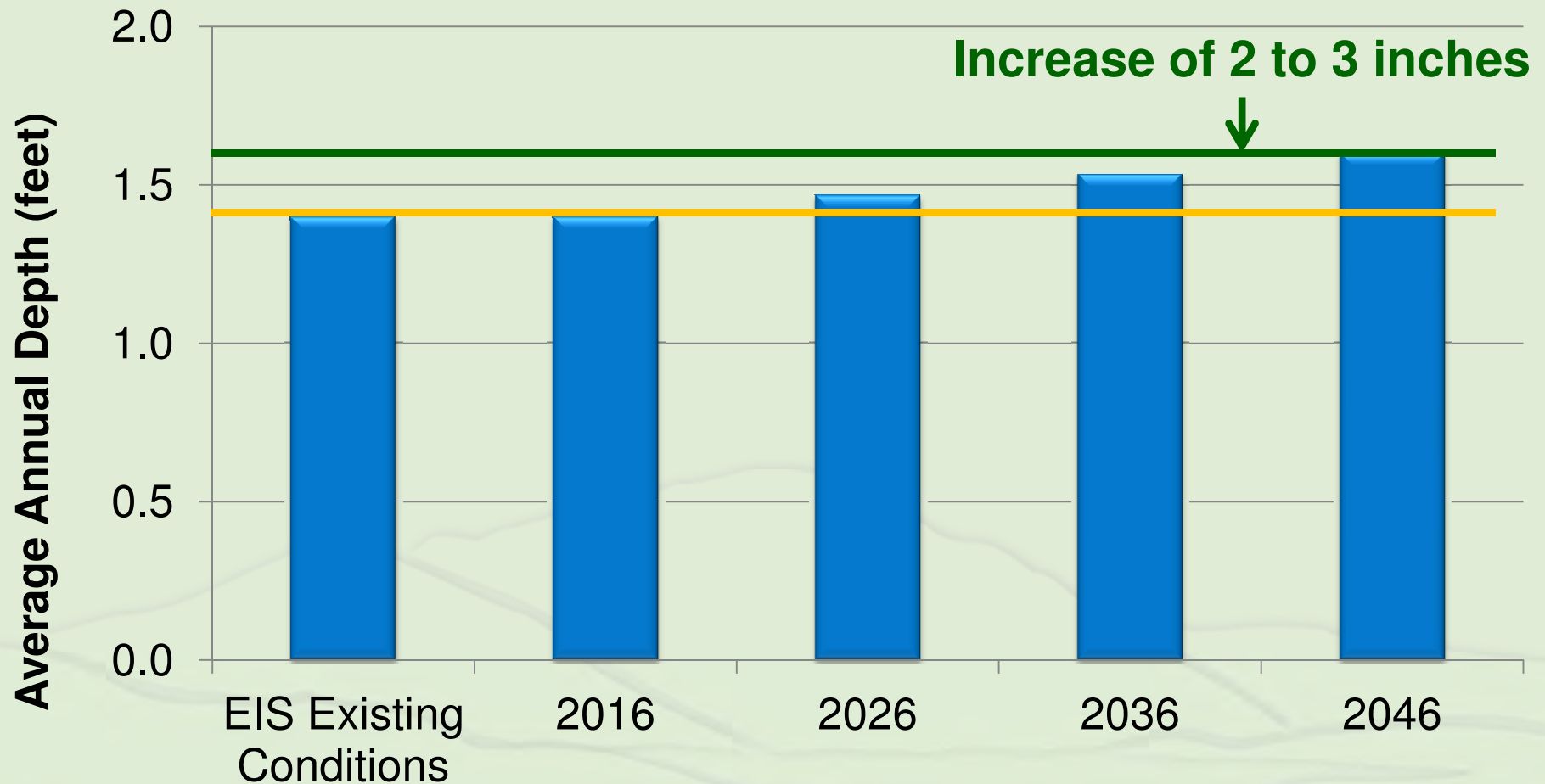


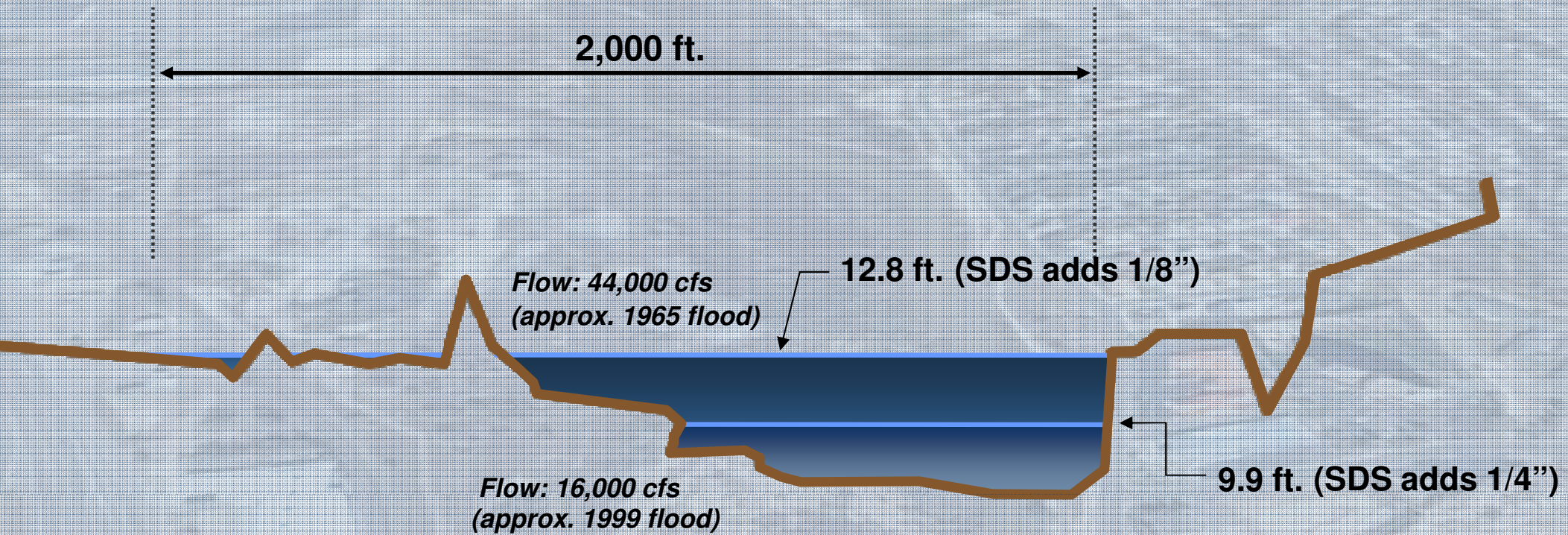
Condition 5.2

- Interested parties must:
 - Be located within El Paso County and natural drainage of Arkansas River Basin
 - Complete federal permitting and contracting
 - Obtain Pueblo County 1041 permit
 - Bring own water supply
- El Paso County water providers
 - Donala application to BOR for storage/conveyance contract
 - Cherokee interested in starting process



SDS effects on average daily stream flow in Fountain Creek will be minor and gradual





***EIS data on SDS flow contributions:
Storm/peak flows***

Near U.S. 50

Conditions 8, 7 & 6:

- \$2.2 million paid to County for dredging creek in Pueblo
- \$26.6 million spent on wastewater system improvements – more than 1/3 of total \$75 million commitment
 - Remaining portion by 2024
- \$600,000 paid to Fountain Creek District for USGS study, District master plan and administration



Condition 8:

Sediment control/dredging

- Improve section of creek to reduce sediment/erosion
- FCWD approved Aug. 2013
- Construction anticipated to start this fall
- Cost: \$3.02 million
 - Also creates 3 acres of wetlands



Condition 18: Monitoring and adaptive management

- Monitoring to assist in water quality assessment
- *“To the extent that the adaptive management program causes Pueblo County to request or require that additional mitigation activities occur” beyond federal requirements, “Applicant’s obligation to conduct those mitigation activities shall be the responsibility of the Fountain Creek District...”*



Efforts outside 1041

- AF Cure
- Post fire water quality monitoring

Condition 6: Fountain Creek Monetary Mitigation

- **\$50 million total**
 - \$600,000 paid to date
 - 5 annual payments will start after water delivery begins to Colorado Springs
 - Agreement with County staff on indexing calculation method
- **Fountain Creek District request**



Condition 23: Stormwater Management

- Maintain stormwater controls and other regulations **intended to ensure Fountain Creek peak flows from NEW development served by SDS** within the Fountain Creek basin are no greater than EXISTING conditions

1041 permit does not include:

- A specific yearly amount of stormwater funding
- Funding of specific projects
- Requirement to remediate current and historic conditions (pre-SDS)

Condition 23: Stormwater Management

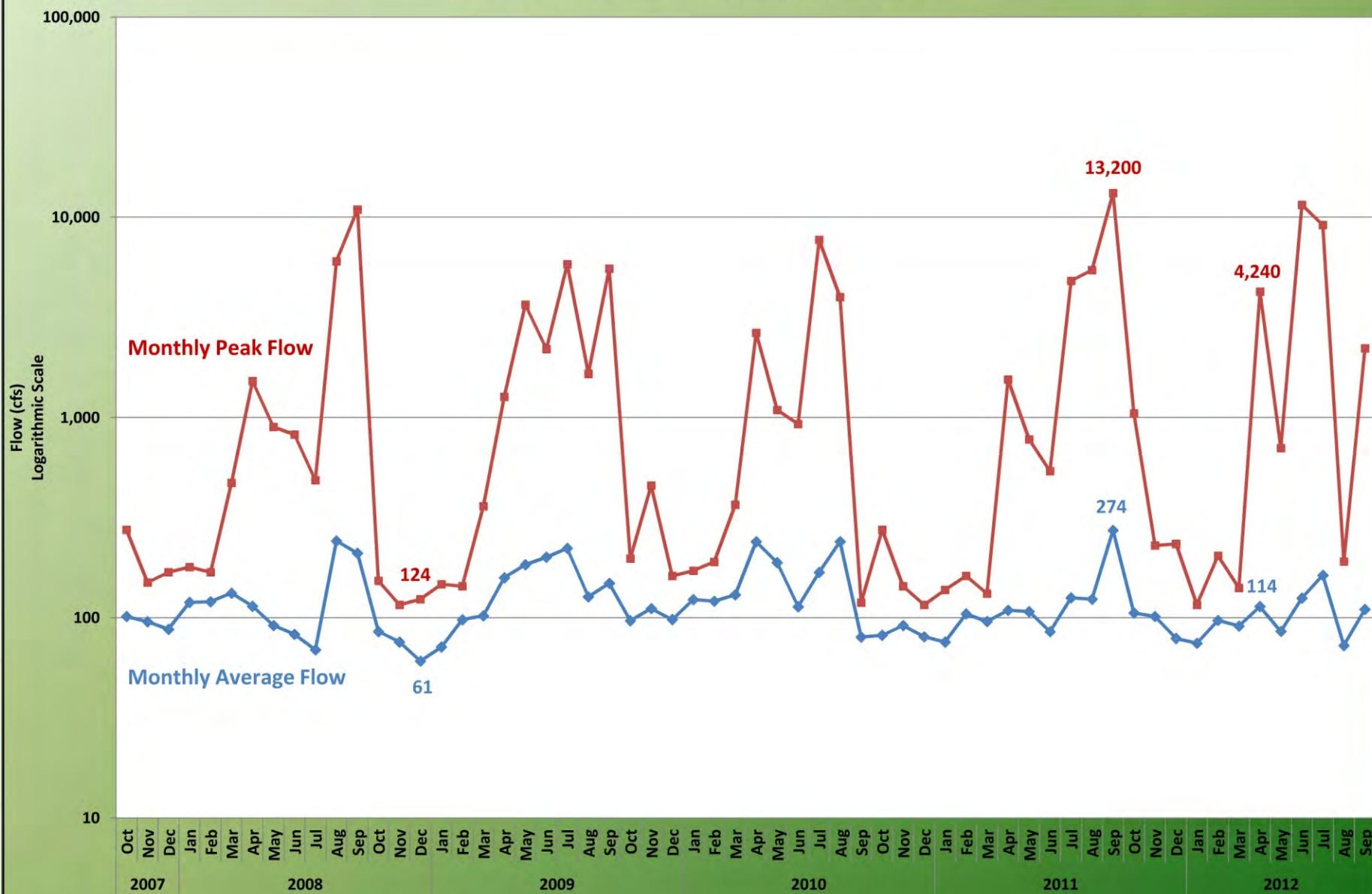
- **Enhanced Drainage Regulations for New Development**
 - City updated Drainage Criteria Manual (DCM)
 - Draft reviewed by CDPHE
 - Once finalized, City staff will request City Council approval



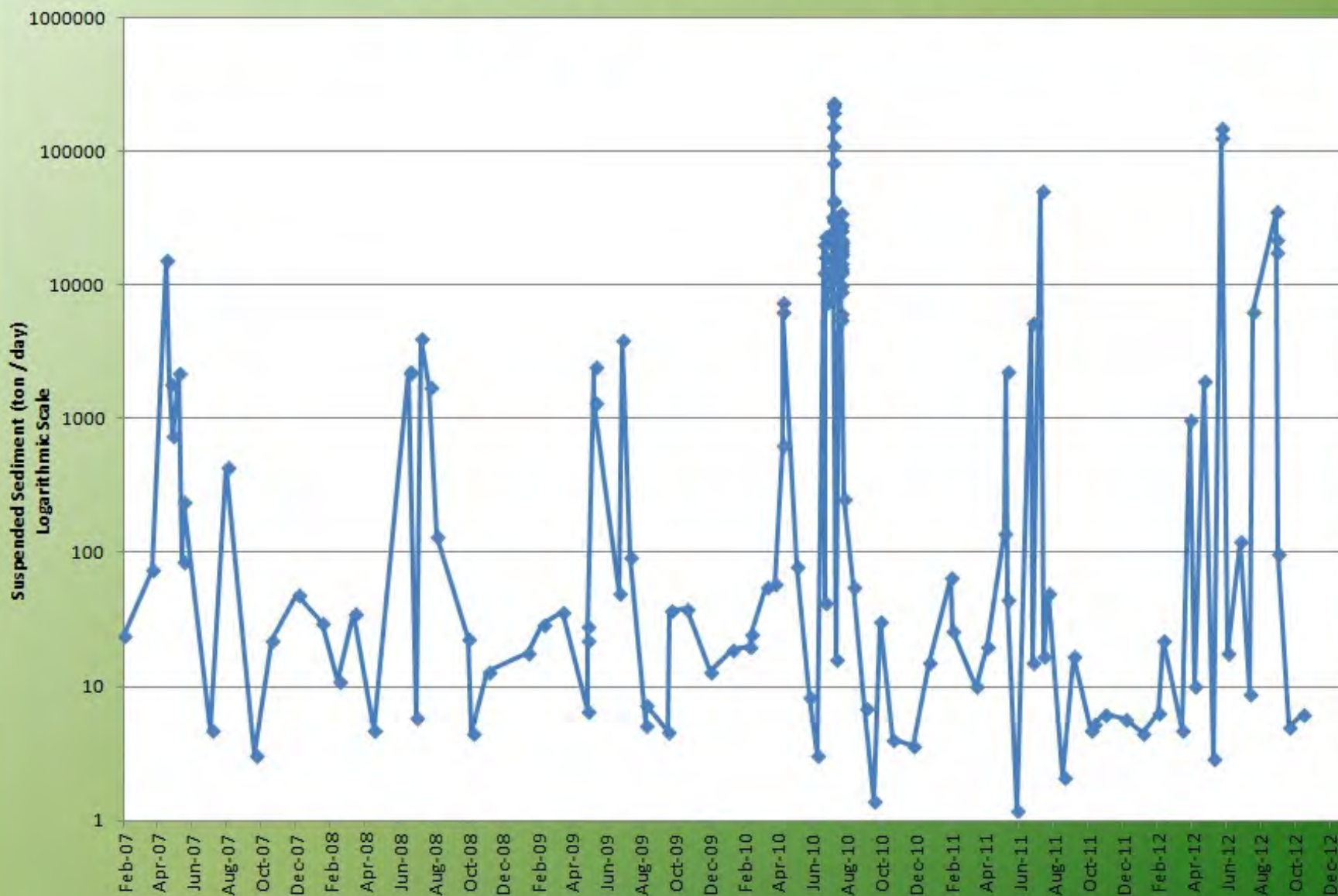
Conducted analysis of LAVWCD assertions about Fountain Creek flows after dissolution of SWENT:

- Data does not support link between increased flows or pollutants and dissolution of SWENT in 2010
- No increase in average or peak flows pre and post SWENT; data actually shows downward trend
- *E.coli* data shows slight downward trend
 - State listed creek as impaired due to various sources
- No increased sediment load; slight decrease in 2010-2012
- USGS study indicates stormwater detention facilities built within Colorado Springs would have minimal impact on peak flows in Pueblo

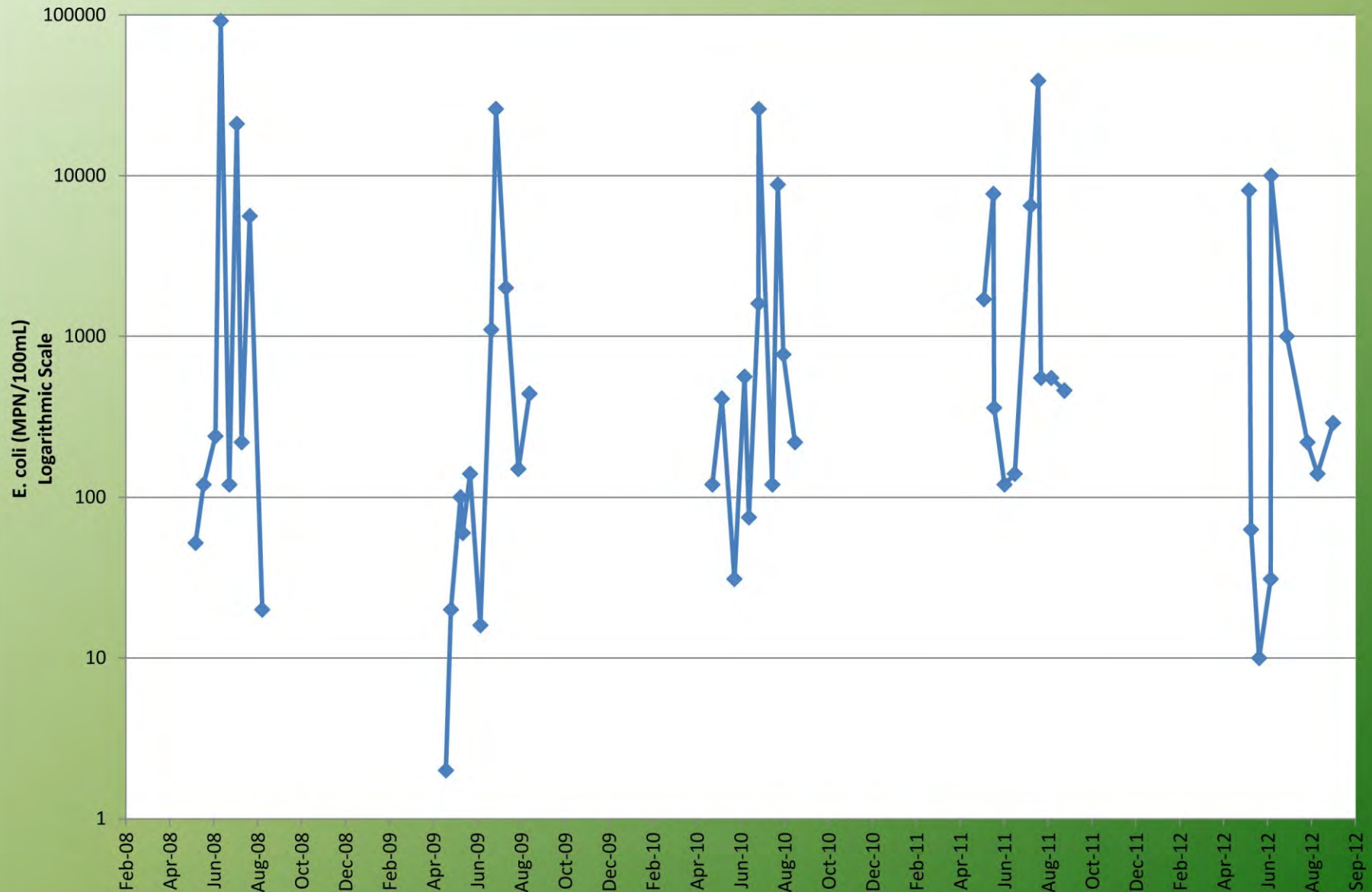
**Security Gage 07105800 Monthly Average and Peak Flow
October 2007 - September 2012**



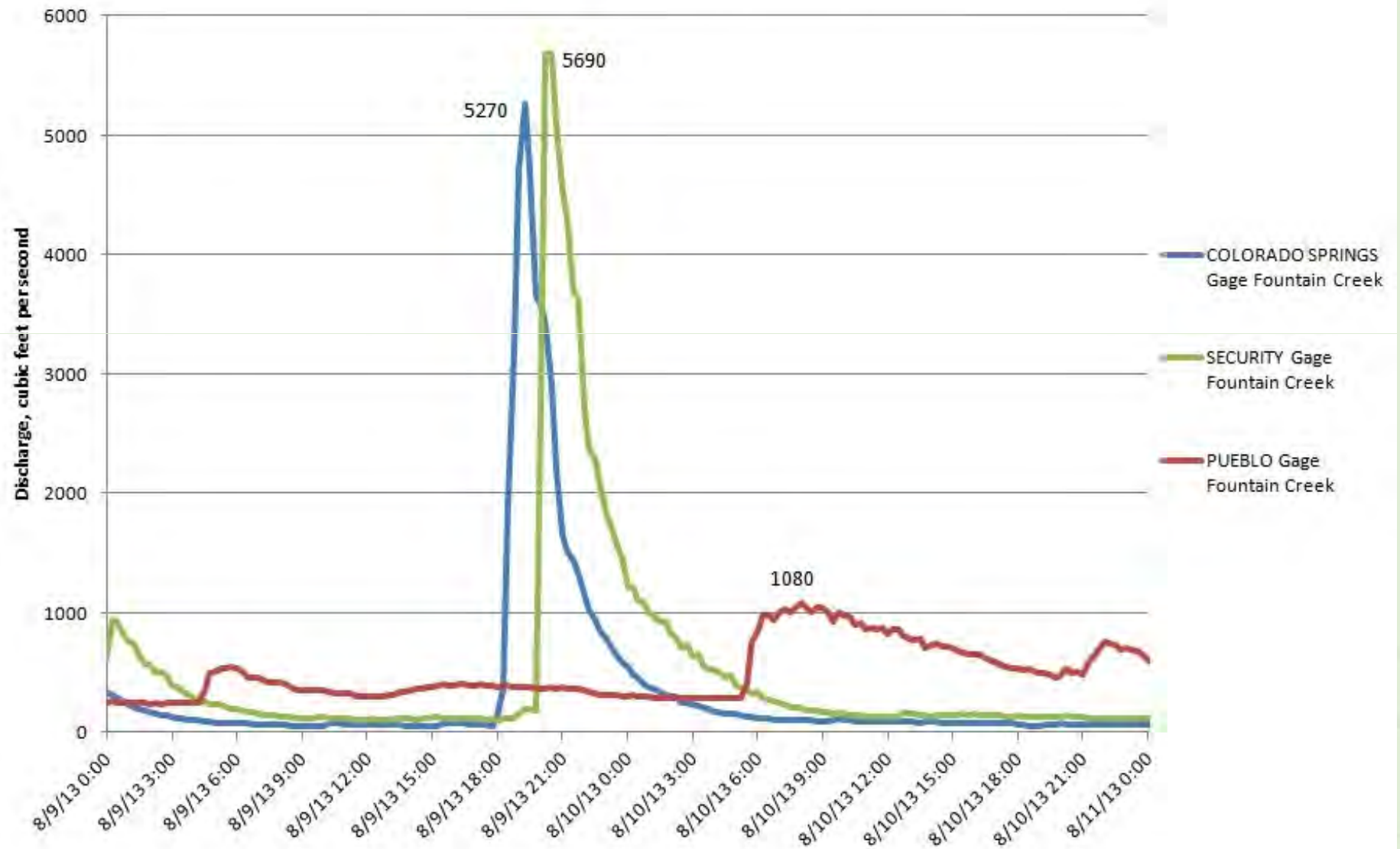
Station 07105800 - Suspended Sediment Discharge



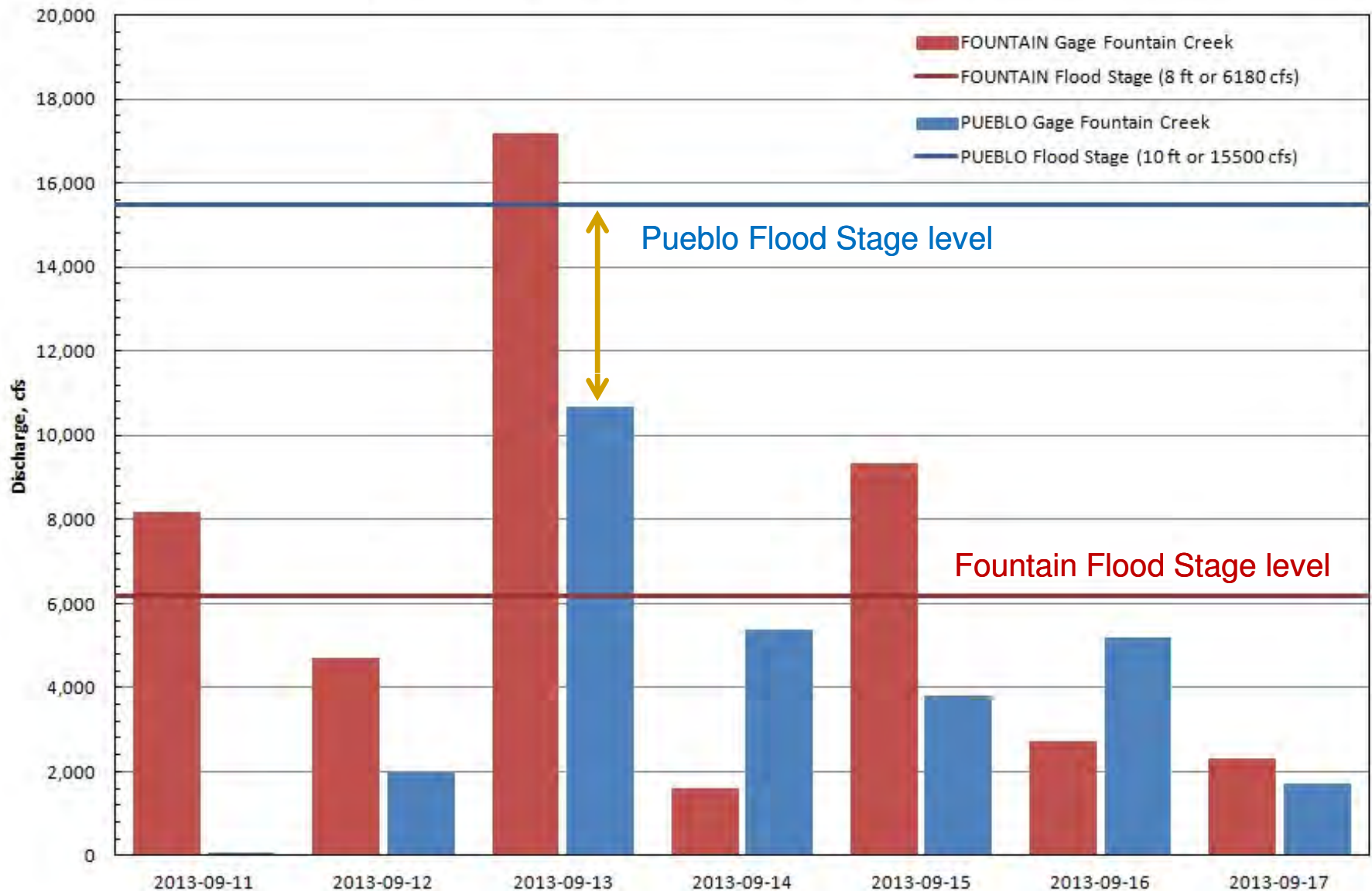
May through September - Station 07105800 - *E. coli*



USGS Discharge Data 8/9/13 - 8/11/13



Peak Flow Data 9/11/2013 - 9/17/2013



Colorado Springs Utilities Wastewater System Performance

	1999 April-May Flood Event	2013 September Flood Event
Peak Flow	17,600 cfs	12,600 cfs
Wastewater Spilled	Millions of gallons	Zero
	Difference = \$180 million invested in wastewater system improvements since 2000	

Key SDS Benefits to Pueblo County

Commitment	Status
\$50M Fountain Creek District	\$600K invested ; remaining 5 annual installments once SDS delivering water to Colorado Springs
\$75M Colorado Springs wastewater system improvements	\$26.6M (or more than 1/3) invested to date – remaining amount by 2024
\$15M to Pueblo County for road rehabilitation	\$10M paid to date; remaining \$5M due 2014
\$2.2M to Pueblo County for dredging Fountain Creek	Paid in 2011
Arkansas River Flow Programs	Since 2004, Colorado Springs Utilities water operations has and will protect minimum and recreational flows through Pueblo.
\$3.02M Fountain Creek improvement project	Approved by Fountain Creek District; construction scheduled to begin this fall
Opportunities for Pueblo County businesses/workers	Nearly \$60M to Pueblo County businesses to date ; more opportunities anticipated



Colorado Springs / Stormwater Task Force

Jan Martin, Colorado Springs City Council

Stormwater Task Force Efforts

Date	Actions
August 2012	Sand Creek Summit – Task Force kick-off event
Sept. 2012 – 2013	Task Force Phase I (scope of need and existing budgets)
	Colorado Springs (CS) City Council and El Paso County (EPC) resolutions to support regional approach
Feb. 2013 – July 2013	Task Force Phase II (governance and funding options)
Aug. 21, 2013	Task Force report out to CS City Council and EPC Commissioners
Sept. – Oct. 2013	Task Force meetings with CS City Council and EPC Commissioners
October 2013	CH2M Hill study results will be incorporated in planning; Mayor Bach public meeting Oct. 9
By 2014	Decision on funding path/governance approach

- Legal & economic analysis on options
- Review of CH2M Hill report on funding needs
- Conduct polling in support of effort
- Collaborate with key stakeholders
- Select approach
- Ramp up education & outreach for public support
- Potential 2014 ballot initiative



Questions

SDS Benefits to Pueblo County



SDS BENEFITS TO PUEBLO COUNTY

Southern Delivery System Fact Sheet

SDS HIRING PUEBLO COUNTY BUSINESSES

- Nearly \$60 million spent to build SDS has gone to Pueblo County businesses.
- 100 Pueblo County businesses have been hired for SDS construction and support to date.
- More opportunities exist for Pueblo County businesses with ongoing construction projects: construction just began on two of the largest SDS components this year.

SDS MITIGATION TO IMPROVE FOUNTAIN CREEK

Colorado Springs Utilities is making significant investments in improvements to Fountain Creek and to meet 1041 conditions for Fountain Creek mitigation including:

- \$50 million (in 5 installments) to the Fountain Creek Watershed District once SDS is delivering water to Colorado Springs in 2016.
- \$2.2 million paid to Pueblo County for managing sedimentation in Fountain Creek in Pueblo.
- \$600,000 to the Fountain Creek Watershed District for a USGS flood control study and District administration.
- \$3+ million project underway to address sedimentation and erosion on a section of Fountain Creek just north of Pueblo County.
- Wastewater system improvements — from 2000 – 2012, more than \$165 million invested — \$26.6 million of the \$75 million commitment already paid since 2009.

ROAD REHABILITATION AND TRAILS

- \$160,000 spent on road maintenance during construction.
- \$15 million paid to Pueblo County for road rehabilitation/improvements — \$10 million paid to date and remaining \$5 million paid to Pueblo County in 2014.
- \$100,000 invested to improve a multi-use trail in Pueblo West.

PUEBLO WEST NEEDS SDS FOR ITS CUSTOMERS

- The SDS connection to Pueblo Dam will give Pueblo West another way to transport water to its customers.
- SDS will almost double the capacity of Pueblo West's existing water system.
- SDS will also greatly increase the reliability of Pueblo West's system, which is 30 years old and near the end of its designed lifespan.
- The permitting, contracts, approvals and price tag alone make it nearly impossible to build a project like this for a community the size of Pueblo West. Partnering with other water providers allows Pueblo West to share the costs of the project making it more affordable for its customers.

STRENGTHENS REGIONAL WATER AGREEMENTS

- SDS continues an Intergovernmental Agreement that protects the Arkansas River and supports stream flows necessary for recreation, the environment and the kayak course in Pueblo.
- The Flow Management Program prevents participants from transporting more water out of this basin.
- SDS does not dry up agricultural lands and provides farmers and ranchers the opportunity to lease their water for short term use when they don't need it.

See other side for list of Pueblo County businesses hired for SDS.

**TOTAL SDS SPENDING/COMMITMENTS THAT BENEFIT PUEBLO COUNTY TO DATE:
\$206 MILLION**

**SDS THANKS THE FOLLOWING PUEBLO COUNTY BUSINESSES FOR
THEIR SUPPORT IN BUILDING THIS CRITICAL WATER PROJECT**

A1 Barricade	Northstar Engineering
AA Wild West Fence Co.	On The Move Septic Pumping LLC
Acme Fire & Safety	Pioneer Sand Company
Acorn Petroleum	Precision Hydraulic, Inc.
Affordable Auto Glass	Pride City Auto Parts, Inc.
Airgas Intermountain	Pueblo Bank & Trust
Alta Fuels	Pueblo Bearing Service
Apex Trucking	Pueblo Brake & Clutch
Arrowhead Real Estate	Pueblo Shrine Club
ASI Constructors, Inc.	Pumps and More
Banner & Bower, P.C	Racine's Locksmithing
Bear Creek Trucking	Rampart Supply
Black Hills Energy	Rick's Tree Service
Bobcat of the Rockies	RMS Cranes
Broughton's Precast	RSC Equipment Rentals
C & C Disposal	Rush's Pueblo Lumber
Clark Spring Water	Schusters' Printing
Colorado Machinery	Spradley Chevrolet
Complete Shotcrete Services	Stevens Cleaning Service
Davis Paving and Sealcoating	Summit Brick Company
DC Star Security Agency, Inc	Sunstate Equipment Company
Dirt-N-Demo	Surveying Consultants, Inc
Edward-James Surveying	T & T Electric
Essential Safety Products	Taylor Fence Company of Pueblo
Fastenal Company	TDS Tire Centers
Ferguson Pump	The Home Depot
Gary's Crane Service	Tire Distribution Systems
Gobins	TNT Security
Grand Signs	Top Notch Fencing
Grease Monkey	Total Terrain
HCP Constructors	Transit Mix Concrete Company
HD Supply Waterworks	Trigger Promotions
J&D Enterprises	True Value Hardware
K.R. Swerdfeger Construction, Inc.	Two Men and a Truck
KLI, Inc.	United Rentals, Inc.
Labor Ready	US Bank
Lafarge	Verizon Wireless
Langston Concrete	Vision Recycle Products
Latino Chamber Development	W. W. Grainger
Live Wire Electric	Wagner Equipment
Lloyd, Midway Ranches	Wagner Rents
Lonesome Dove Concrete Pumping	Wark Photography, Inc.
M&S Trucking	Waste Management of Colorado
Mike Blasi Trucking, Inc.	Wear Parts & Equipment
Montano Concrete	Work Zone Traffic Control
Morton Electric, Inc.	Yardzilla Lawn Care
Motel 6	

Agreements



Colorado Springs Utilities

It's how we're all connected

September 29, 2010

**Board of County Commissioners of Pueblo County
215 West 10th Street
Pueblo, CO 81003**

Re: Pueblo County 1041 Permit for SDS

Dear Commissioners:

On Monday, September 27, 2010, I hand-delivered a check to Pueblo County in the amount of \$2,202,000.00. The payment represented by this check is in fulfillment of the SDS participants' obligations to comply with Condition No. 8 of 1041 Permit No. 2008-002 for the Southern Delivery System. The payment has been made in accordance with our mutual understandings and agreements set forth in letters from Colorado Springs dated August 19, 2010 and from Pueblo County dated August 30, 2010. In accordance with the terms of these letters we understand that the SDS participants have now completely fulfilled their obligations to comply with Condition No. 8.

Thank you for your cooperation in arriving at this resolution.

Regards,



**John A. Fredell
Southern Delivery System Program Director**

**c: Kim Headley, Director, Pueblo County Department of Planning and Development
Jerry Forte, Chief Executive Officer, Colorado Springs Utilities
Bruce McCormick, Chief Water Services Officer, Colorado Springs Utilities
Keith Riley, SDS Planning and Permitting Program Manager, Colorado Springs Utilities**

121 South Tejon Street, Third Floor
P.O. Box 1103, Mail Code 930
Colorado Springs, CO 80947-0930

Phone 719/668-4800
Fax 719/668-8734
<http://www.csu.org>

J.E. CHOSTNER
CHAIRMAN
DISTRICT 3

JOHN B. CORDOVA, SR.
DISTRICT 2



ANTHONY NUÑEZ
DISTRICT 1

KIM B. HEADLEY
DIRECTOR
planning@co.pueblo.co.us

August 30, 2010

DEPARTMENT OF PLANNING AND DEVELOPMENT

John A. Fredell
Southern Delivery System Program Director
Colorado Springs Utilities
P. O. Box 1103, Mail Code 930
Colorado Springs, CO 80947-0930

**RE: SOUTHERN DELIVERY SYSTEM, PUEBLO COUNTY 1041 PERMIT
NO. 2008-002; CONDITION 8: SEDIMENT CONTROL/DREDGING**

Dear Mr. Fredell:

I have reviewed your letter of August 19, 2010, concerning the above-referenced matter and have shared the same with the Board of County Commissioners. The purpose of my letter is to respond to your request for direction from Pueblo County on how it intends for Colorado Springs Utilities to proceed on the subject of compliance with Condition No. 8 of the SDS Permit.

The Board of County Commissioners has requested that I confirm its determination that a payment in lieu of dredging and installation of sediment collection devices is an acceptable approach to satisfying the requirement of Condition No. 8. It is the Board's determination that this approach, i.e. the acceptance of a payment in lieu of actual construction, is not a material change that would require a permit amendment pursuant to Condition No. 5 of the SDS Permit. Given the determination of the Board on each of these issues, it is our understanding that Colorado Springs Utilities will present funds in the amount of \$2,202,000.00 payable to Pueblo County within a reasonable period of time not to exceed thirty (30) days from the date of this letter.

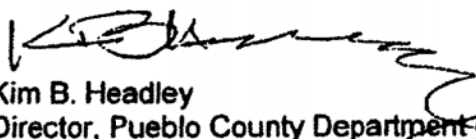
Our interpretation of Condition No. 8 is that the funds so received will be used for another project designed to assist the City of Pueblo in restoring and maintaining sufficient flood protection to allow its existing levy systems to withstand a 100-year flood and, further, that any such project will be subject to the approval of the Bureau of Reclamation. As to whether or not that project meets the conditions of Section 5.2.4 of the FEIS will be a matter left to the Bureau of Reclamation and to Colorado Springs Utilities. While the Board of County Commissioners will fully commit to expending funds on a project, subject to BOR approval, which meets the language of Condition No. 8, the Board is not, through the acceptance of these funds, making any representation that

such projects will satisfy CSU's obligations under the FEIS. Further, the Board of County Commissioners is not making a finding or a determination through its acceptance of these funds that amounts to (or which could even be argued as being) a waiver of the requirements of the Adaptive Management Program to which Colorado Springs Utilities has committed. If Colorado Springs Utilities has a different understanding of the import of the payment in lieu, then we would definitely request that it state its objections and participate in a future meeting on the subject in order to achieve a mutual understanding as to the effect of the payment in lieu and what it does satisfy and what it does not satisfy.

Please contact me after you have had a chance to review this letter. I will try to address any questions or concerns in an effort to reach the mutual understanding referenced above.

Thank you for your consideration.

Sincerely,



Kim B. Headley
Director, Pueblo County Department of Planning and Development

pc Board of County Commissioners
Gary J. Raso, Assistant County Attorney
Greg Severance, Director, Pueblo County Department of Public Works
Raymond Petros

RECEIVED

SEP 01 2010



IN REPLY, REFER TO

GP-4100

WLR-443

United States Department of the Interior

BUREAU OF RECLAMATION

Great Plains Region

P.O. Box 36900

Billings, Montana 59107-6900



SEP 24 2010

Mr. Jerry Forte, Chief Executive Officer
Colorado Springs Utilities
121 South Tejon Street, Fifth Floor
PO Box 1103, Mail Code 950
Colorado Springs, CO 80947-0950

Subject: Mitigation Conditions for the Preferred Alternative for the Southern Delivery System (SDS) Specifically Condition 8 to the Pueblo County 1041 Permit, Fryingspan-Arkansas Project, Colorado

Dear Mr. Forte:

In your letter dated September 3, 2010, you request confirmation that the arrangement between Pueblo County and Colorado Springs Utilities (Springs Utilities) is acceptable to the Bureau of Reclamation. You explain that the SDS project participants will be making a payment to Pueblo County in lieu of the actual dredging activity described in Condition 8 of the Pueblo County 1041 Permit. Additionally, you sent us a copy of Pueblo County's letter signed by Kim B. Headley, the Director of Pueblo County Planning and Development, dated August 30, 2010. In this letter he states that the County Commissioners have agreed to accept payment in lieu of dredging in order to meet the requirement of Condition 8.

The current proposed Excess Capacity Contract No. 11XX6C0002 with Spring Utilities has an article titled "Environmental Compliance and Commitments" which ensures that the mitigation measures identified in the Record of Decision are complied with for the life of the contract. Reclamation recognizes that this payment arrangement in lieu of dredging is consistent with those contract requirements with the understanding that Pueblo County will undertake other satisfactory mitigation efforts to protect the 100 year flood capacity of Fountain Creek through the City of Pueblo.

If you have any questions, please contact Michael Collins at 970-962-4300.

Sincerely,

Michael J. Ryan
Regional Director

bc GP-1100 (Encl)
FC-1000 (McCollins) FC-1000 (Round)

WBR/Kmscy/bccott 0212010 106 217-7650

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County dredging 2009 24 10 K.docx

Property Owners

Sept. 20, 2013

Regarding the attached materials relating to recent statements made by Mr. Dwayne Maxwell (1123 N. Kirkwood Drive, Pueblo West, CO), please note the following:

On Page 5 of Mr. Maxwell's transcribed comments made to the Pueblo County Commissioners on July 15, 2013, there was a reference made to plants that he claimed were not replaced by the SDS program. Yet, on Page 2 of the attached revegetation license agreement signed by Mr. Maxwell on Sept. 10, 2012, note that he chose to be paid \$400 "in lieu of SDS planting yuccas and pear cacti in the easement to replace those plants that were removed or damaged during construction."

Also note in the Sept. 10, 2012 license agreement signed by Mr. Maxwell that with the agreement he released, "...the City of Colorado Springs, acting by and through Colorado Springs Utilities, and its contractors, agents and employees, from any and all claims and demands of whatsoever nature related to construction and revegetation of the Southern Delivery System to date, including but not limited to stucco damage, loss of use and restoration to property directly or indirectly resulting from said construction..."

These clarifications are offered to provide the Commissioners with accurate information about formal agreements we have reached with Mr. Maxwell.

Monday, July 15, 2013

Agenda

Dwayne Maxwell – Pueblo West, and I'd like to talk to you more about what's going on with the water folks up in the Springs and what they're doing and not doing and find out a little more from you folks on what they're doing about the 1041 – they've not held to the 1041, as you know to begin with I was here at a meeting when John Fredell was telling that everything was fine with Terry Walker and I talked to Terry a couple of weeks ago and they still haven't even offered him any money. So the 1041 they're not abiding by, they said that they, the 1041 I believe states that they either would pay for what the proper pay was for the property or and if we refused that they could use eminent domain, well they used the eminent domain, but they didn't pay what was offered. Well in my case and my next door neighbors case, we got ten cents on the dollar of what the value was, we've got an appraisal that was worth \$18,500.00 and they paid \$1,850.00, so they're not sticking with the 1041 and although we went to court, and we lost because they had 5 or 6 attorney's and the next door neighbor and I, we're both country boys, and the chances of licking that much was slim to none, so we lost the thing. But I still feel like even though that happened, even with enforcement of the 1041, we still should be able to get what the entitlement was. Nor to sell our property, we're going to lose that much in value, the same piece of property across the street, same size lot, same house, will appraise for \$18,000.00 less or more than our property will just because of that 50 foot easement that goes across the backside of the property. They were to, of course to begin with, they were supposed to pay for an appraisal and we were here in a meeting at that same time and I asked Fredell out in the hall, I said John, I said it says that you guys will pay for the appraisal and going by the 1041 and you're not doing it, he grinned and said it doesn't say when I have to do it. When he was asked by this, by this board here, by the commissioners, about why there was a difference between the value of the property here and the value of the property in that county up there, he kind of shrugged and grinned so it sounds to me like me like there's a little bit of a hang up as far as the way they want to treat us in Pueblo County. I don't know where we are on the 1041 now, we've talked about, we've talked about over and over they've been threatened several times but so far I think they think it's like the little boy cried wolf, I don't even think that they believe we're going to do it and I'm sorry folks, I'm beginning to wonder if we're willing to do that or not, also, their feet needs to be held to the fire, as far as what's going on right now, I brought you a piece of the latest literature and I'll leave it here for you, it's their propaganda the what they're supposed to be doing now is irrigating the properties to for growth and I realize that we're in the middle of a drought and we have been for a long time, but grass still won't grow unless it's watered and so they put the grass down three or four months ago, and they just started watering it a couple of weeks ago and then in the way they're doing the watering, they're watering like 3 days a week an hour and five minutes, well that's flooding it,

my backyard looks like a rice field, I mean you can grow rice with what they're doing, just for that time, but then for the other 2 days during the week and the weekends, it's as dry and it's as hard as this (hitting podium) box here. So, they're not worrying about doing it and doing it right, and we do have finally an agreement there from them, when this came about, we were upset because the folks in Pueblo West, I'm sorry, we call them Hitler Committee out there, because of the things they've set up that they want us to do that apply only to those who live on the south side of the of the area down there but even here, no one asked us as property owners whether or not we wanted this or not. And of course, the reason we weren't asked is because none of us wanted a 50 foot strip cut across the back of our property that says we still own it, we still have to keep it up, we still pay taxes on it, but we can't build a barn and that's all horse country and we can't plant a tree there. So, so it's worse than them taking the property cause we're still having to pay for it, you know? I'd rather they had taken it before and when I made that comment, he said Dwayne, we'll give you \$1,850.00 for it. You know, I mean, so, I would like for us to enforce that 1041 and cause them to sit back and do what they're supposed to do. When I talked with Ms. McFadyen, the last time I was in the area, she said they were concerned with what they would not do in Pueblo West. Quite honestly, Pueblo West is either in bed with SDS or the people just don't know how to think because when I go down to talk to them at least here I get a smile and a nod, and there they act like they don't know what we're talking about, which means they don't care. So, Help.....

Sal Pace: Dwayne, thanks for commenting, you know, I don't know if Pueblo West is in bed, but they are, part of the SDS project with Colorado Springs as you're aware. as you probably know better than we do, as part of the 1041, Colorado Springs is obligated to revegetate, I believe it's 80% of, of what it was prior, they're obligated to irrigate for a couple of years, you know, we've had a lot of questions about how to do that, we directed our Public Works Department to go in and hire a consulting firm that does biological re-vegetation and makes recommendations you know they work nationally all over the country on these type of projects so that we can if we ever were to head down the direction of a litigation with Colorado Springs that we have our own experts who can who can stand up to the Colorado Springs experts, my I guess my first question is:

As a land owner, have you heard from our consultants, have they visited with you, have they toured your property?

Mr. Maxwell: No sir.

Sal Pace: Well that's a concern of mine because they're getting paid to do this. and.....

Mr. Maxwell: I'm not saying they haven't gone through, we see traffic going through that trail of dust daily but.....

Sal Pace: If they're not talking to the landowners then that's just a little concern of mine. My second question is:

On the revegetation piece are there ways that, or would you like to see it be done differently by Colorado Springs? Or if we're talking to, let's say we're talking to Fredell, or Colorado Springs Utilities, or the Mayor, whomever from up there, what would you recommend we tell them about how to do re-vegetation better than what we're doing better than what they're doing currently?

Mr. Maxwell: Commissioner, the flooding is not doing the job, I mean all it's doing is causing the water to run down the hill towards the house, our land runs this way and the front of the house is this way, so it drains right past the house but, but the thing is, the amount of water they're putting they could put the same amount of water and use a different schedule, I think it'd do much better. For instance, instead of an hour and 5 minutes every morning and every night, three nights a week, thirty minutes every morning and every night, 5 – 6 nights a week and then that hour and something that they do on Sunday afternoon they would wind up with that schedule doing less water if that's what they're worried about, less water than they're doing right now. Like I said, it's causing it to flood and then for the next day when the sun comes out, we've had 108 degrees out in Pueblo West, and of course we're not, we weren't happy to begin with because first of all they told us that they were going to take care of that 50 foot strip and keep the dust down and I don't know if any of you live in Pueblo West, but in Pueblo West we have winds, high winds and so so it blows and you can see it and it follows the path of the, as you know, the path of the power lines and the power lines run right across our backyard and you can look and you can watch the winds as it brings the dust devils, we called them years ago in Arizona, going down through there, well, you know, I'm not going to clean the house and well she's getting upset over it you know (chuckle), and I really can't blame her, but the thing is, if they did it in a routine way so that it constantly stayed down and not flooded, I think it would do better now I'm not an agriculturist, I work for an environment state, environmental agency, I retired from, and I was a bad guy, I did the foreclosures on them and told them they had to pay the fines and delivered that kind of stuff so when they got out and see when I know that in my years of planting grass that it has to have water and putting it in the ground three or four months before they laid dormant I don't think that did it any good and they're saying the type grass they picked was picked by I think the college here CSU guys to say it was the best kind for that ground and that's good, that's a good idea but right now I've got weeds on the end of the water line, what they've got is, they've got one that runs 360 and they've got one on each end that runs 180 and at the end of each one I've got weeds this high, and I've got maybe one blade of grass to one hundred weeds that are growing so if you can talk them into doing something different that way. But this 1041 folks, I would think that was thing that we could really hold over their head and like I said as long as we keep crying wolf, and

saying we're going to do it, we're going to do it, and then don't do anything, it's impossible for you to hold a 1041 back, not stop it, not cause it to go away but hold it back until do a hold back until they do what they're supposed to be doing and I think that would be, would go.

Sal Pace: The law allows for us if we don't think they're meeting the terms of the 1041 to litigate and argue that they have not met the terms and conditions before they can pump water.

Terry Hart: That's one of the avenues we're doing Mr. Maxwell, it may not look like a lots going on but I believe a lot is, first of all, like Mr. Pace has said we have our Public Works Department and our Planning Department working with these folks on a regular basis, how often do they meet Peter?

Peter: I'd say every other week.

Terry Hart: Every other week they are meeting and so my thought is, as we hear issues we're trying to put those issues into that conversation and that is simply one of the methods that we're utilizing to try to identify problems the other method of dealing with it is we have a plan to call them back into us to have a status hearing and to talk about the various issues that we have seen and heard about under the 1041 permit and basically give an opportunity for citizens to come in, we've delayed that process because they had a second fire up there so we're letting them deal with that but that's now over with, now they're dealing with floods but a you know dealing with it but your experience is critical, to making sure that in both of those processes we are keeping their feet to the fire and what we can do is we can give you the contact information for our staff to make sure that that's there. Mr. Pace is also you know, he correctly pointed out to you that we've hired a our own expert to try to help us work our way through this and I do know that it isn't just grass that they're supposed to be planting in there, they're supposed to be planting pretty much all of the native seeds so that in theory after 2 years it will hold and you won't be able to tell it's there, and you're shaking your head and so am I. Commissioner Pace is shaking his head too, we don't believe that that's going to happen, and by the way the picture in here that shows the nice mulch patch and the grass growing up, I'm assuming that wasn't taken on your property?

Mr. Maxwell: That's not on my property.

Terry Hart: Ok, good enough.

Mr. Maxwell: They told us, when you were talking about and the reason I was shaking my head they had told us that they would give us three plants, we could have our choice of any three plants that they would buy them and plant them out for us. So the neighbor and I got together and we picked three plants that would take to desert land and then they came back and said

that they couldn't find those plants so, so, that's not been done either. We're concerned about other things, this water, the water thing, coming down through Fountain Creek, seeing kids that have are living in Fountain Creek area that have got mental problems from the water there.

Terry Hart: Yeah well we're worried about that too.

Mr. Maxwell: I mean that's more important than my piece of land is those children

Terry Hart: We feel and yeah well we feel that both things are critically important. The level of standard that I believe that this board is going to hold Colorado Springs Utilities to, they indicated that they would do any remediation necessary to basically assure that you couldn't see where the pipeline went through, and that's the standard that I think we're going to hold them to regardless of what they do and that's the reason we have to revisit this issue cause I'm not totally convinced that watering for a two year period during a drought is going to achieve the results that everyone needs so I think....

Mr. Maxwell: It's not two, it's three, they gave us three years

Terry Hart: Ok well.....whatever period..... does it say three? Cause I thought that they said that they were just going to be doing it for another two years, at any rate, whatever they do I'm less worried about you know, the methods that they use than the results if they use a method that causes the results we're looking for then that's something that I think that we can do but I'm very doubtful that the methods that they're using is going to come to the results that we're looking for here, which is basically you know, you won't be able to see the scar. And now all three of us as commissioners, the paper mis-reported it that two of us had only gone out and visited the site on Gary Walker's property, actually all three of us I believe have, we've all looked at it and the impression that I walked away from I saw the old Fountain Valley conduit a little bit off to the west of it and there's a scar there from the work that was done years and years and years ago and the theory is not to let that happen with this SDS project. So that's where we are so....Commissioner Pace....

Sal Pace: Just my final comment, when we do have Colorado Springs Utilities here, updating us on the status of everything, we'd really like it if you came back and shared your thoughts.

Mr. Maxwell: I really want to know when that meeting is because I want to be here.

Sal Pace: We still don't know ourselves.

Mr. Maxwell: The only other thing I want to add is this, I know this is being recorded, and I don't care who hears it, I would not trust John Fredell as far as I can throw him. John would rather lie when the truth fits better. I've told him that to his face and I don't make any beans about it, he's not a man that you can trust though, anything that he tells you, I'll guarantee you,

you might as well plaster it on the wall and paint over it cause....in the old southern terms, it ain't going to happen, you know.

Terry Hart: Well thank you for that, yes and as a matter of fact, Peter, one of the things that I would like to do is a well maybe I should just do this through our staff is schedule a time to basically meet with our staff again and we've been getting some briefings on the SDS and schedule the date for the status hearing, I think that we had talked about doing that in mid July and I personally haven't pushed it over the last few weeks because of the fire that they got going on. But I think it's time, particularly seeing the flooding.

Peter: Marcy and Gary were asking to do a status on SDS, in any case and my question was whether we do that before or after Joan returned from _____

Terry Hart: I'd say after, she's only gone for.....

Peter: Two more weeks I believe.

Terry Hart: We will be having a meeting soon and the purpose is to basically have staff brief us on where we are on all the issues that we've challenged them with, including this one, or these couple of issues and then also, what I'm wanting to do at that meeting is schedule the Status Report Hearing with Colorado Springs Utilities and, we're more than happy to let you know when those meetings are taking place.

Mr. Maxwell: I would really appreciate it, I know that they got caught because one of the things that they promised in the 1041 concerning that water drainage in Fountain then the city turned around and voted against that. So they promised us financially and the city's told them they can't do it financially and I know that's got to be the bind, but they did it, that wasn't any of our doings so.....

Terry Hart: Well there's a number of outstanding issues and like I say all, all of us here at the county are wanting to make sure that we do a good job of identifying the problems and then identifying a solution that's going to fix the problems and so your role in that is huge, in helping put a voice to the fact situation of what's actually occurring on the ground.

Mr. Maxwell: All right, thank you very much.



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Memorandum of Agreement

APN: 9520004010

For Revegetation Property Owner:
Southern Delivery System

Dwain and Helen Maxwell
Segment Work Package: S2

Property Address: 1123 N. Kirkwood Dr, Pueblo CO 81007

Parcel Description: See Exhibit A for property owner's property. See Exhibits B and C for the areas of Revegetation Activities. Revegetation activities are intended to occur where Southern Delivery System construction disturbances have occurred on owner's property.

1. The undersigned owner agrees to allow revegetation activities (as defined on the attached scope of work) on his/her property for a one-year term renewable for two additional terms upon the mutual agreement of both parties. Payment shall be made for each separate term following the execution and delivery of the license agreement or a renewal of the license agreement.
2. It is understood by the owner that the revegetation access is for a public purpose and is voluntary and may be revoked upon thirty (30) days written notice. Revocation of access shall constitute a waiver of future revegetation work and a release of Colorado Springs Utilities (CSU) from performing and completing such work on the owner's property, excepting the removal of all or a portion of the irrigation system and fencing.
3. If the owner declines to execute a Revegetation License Agreement, owner understands that no future agreements will be offered or are available. By declining the Revegetation Offer, owner acknowledges that the Southern Delivery System shall not conduct its revegetation activities on the owner's property.
4. Payment for Year One shall be \$300.00. Payment for Year Two shall be \$200.00. Payment for Year Three shall be \$100.00. Each payment shall be made in a separate calendar year. Samples of the Agreements are attached for reference purposes.
5. The memorandum shall not be considered as binding upon the parties until such time as all of the hereinbelow signatures have been obtained.
6. This Agreement shall be construed in accordance with the laws of the State of Colorado.

The parcel proposed to be revegetated contains 13,304 square feet on parcel and improvements as follows: See addenda 1. See attached drawing.

Compensation shall be paid upon execution and acceptance of each Revegetation License Agreement.

[Signature] ^{Colorado Springs Utilities}
Real Estate Specialist 9/10/12
Date

APPROVED:

[Signature] 9/11/12
SDS Land Team Date

City Attorney's Office

Date

[Signature] 9-11-12
SDS Director/Deputy Director Date

Owner

[Signature] 9/10/12
Owner Date

[Signature] 9/10/12
Owner Date

Owner

Date

Addenda 1 For Revegetation

Southern Delivery System

Property Address: 1123 Kirkwood Drive, Pueblo West, CO 81007

Property Owner: Dwain and Helen Maxwell

Segment Work Package: S2

~~Colorado Spring Utilities (CSU) or its representatives will remove the existing temporary chain link construction fence from the property owners property.~~

Colorado Springs Utilities or its representatives will install a new commercial grade 5-foot high chain link fence as indicated on the attached drawing. Separate end posts shall be installed at the northwest and northeast corners adjacent to the neighbors' fence line, but shall not be connected to the neighbor's fence. The fence shall consist of: commercial grade posts and top rails matching the neighbor's fence, concrete post footers, one 8-foot double swing gate near the northwest corner of the fence, one pedestrian gate near the house and two 12-foot double swing gates next to the house along the southeast and northeast corners of the fence. The poles shall be located at maximum 8-feet on center. The property owner will allow CSU, SDS and/or its contractors access to areas inside and outside the area described in the attached exhibit A for the purposes of fence installation. The owner shall own and maintain such fence, poles, posts and gates upon completion of the installation.

Owner shall sign any necessary application or permit required for the construction of the fence by the Pueblo West Architectural Committee or designee. Any permit fee shall be paid for by CSU or its agents.

CSU, SDS or any other agency will not modify or remove any fencing without permission from the property owner. If fencing is to be removed, it will only be removed if there are no other methods to complete any projects within the permanent easement.

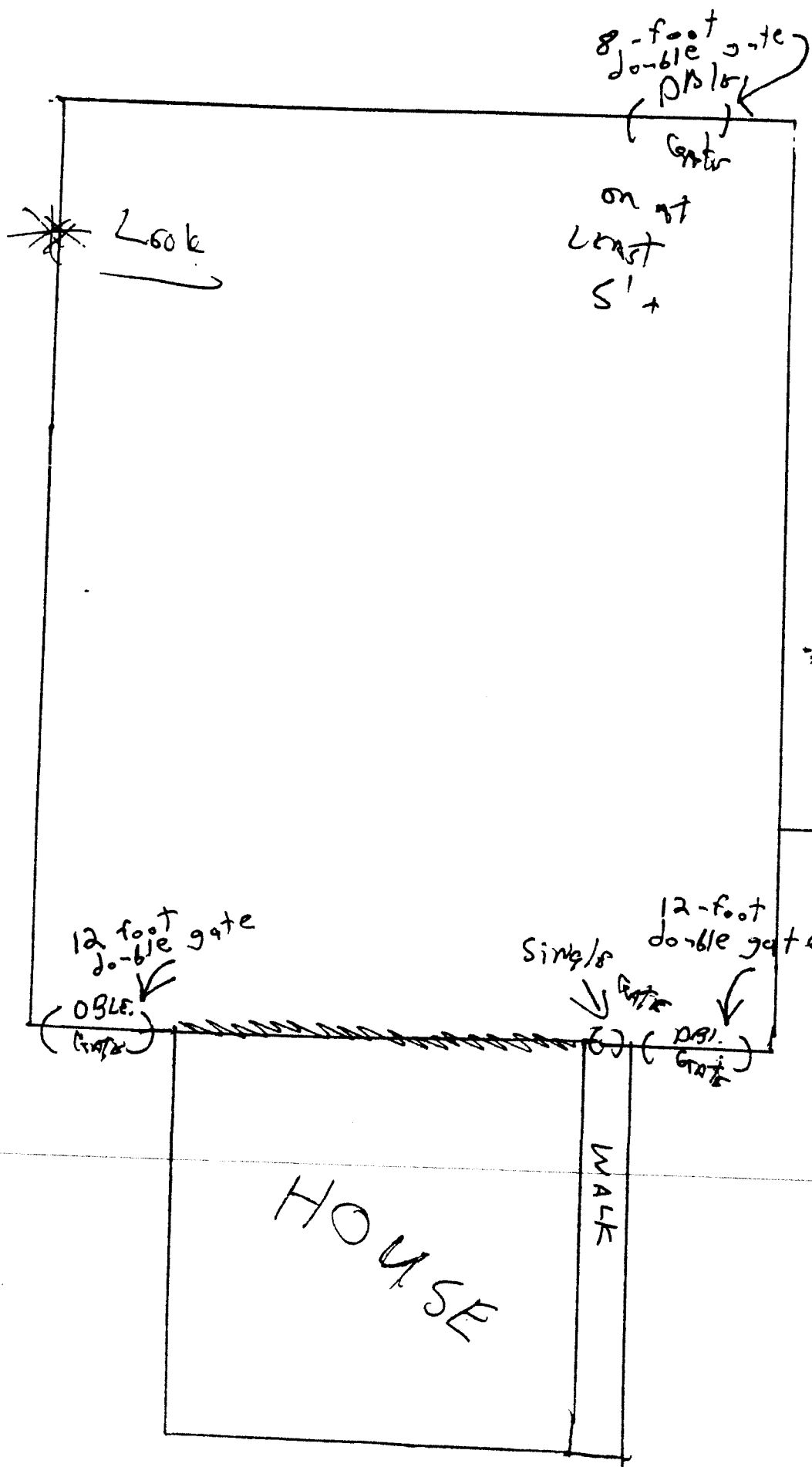
Should it become necessary to remove or modify the fence, CSU will take full responsibility for the cost, replacement or repair of the fence.

CSU may only allow any other entity, business, city, town, county, state or government to use this easement or install anything on this easement with written consent from the property owner.

Irrigation shall consist of an underground temporary line and sprinkler heads located inside the Permanent Utility Easement area that is fenced.

The property owner will accept \$400 in lieu of SDS planting yuccas and pear cacti in the easement to replace those plants that were removed or damaged during construction.

Owner shall sign the attached Release



RELEASE

The undersigned hereby acknowledge(s) receipt from Colorado Springs Utilities (CSU), the sum of One and no/100 dollar (\$1.00) and other good and valuable consideration as full and final payment for any claims of damage or loss related to the construction of the Southern Delivery System Project on the real property described in the attached Exhibit A. The undersigned hereby releases the City of Colorado Springs acting by and through Colorado Springs Utilities, and its contractors, agents and employees, from any and all claims and demands of whatsoever nature related to construction and revegetation of the Southern Delivery System to date, including but not limited to stucco damage, loss of use and restoration to property directly or indirectly resulting from said construction. This agreement does not release SDS/CSU from any claims arising out of future construction or revegetation activities.

Signed and delivered this 10th day of Sept., 2012.

Owners:

Dwain B. Maxwell
Dwain B. Maxwell

Helen E. Maxwell
Helen E. Maxwell

Approved as to Form:

Chiff Brecher
Assistant City Attorney - Utilities

Approved:

Gwen R. H.
Real Estate Services
Land Team
W. Rie
SDS Deputy Director



**REVEGETATION LICENSE AGREEMENT
(YEAR ONE)
Pueblo County**

APN: 9520004010

Owner: Dwain and Helen Maxwell Tenant: NA

Address: 1123 Kirkwood Drive,
Pueblo West, CO 81007

Contact Info: 719-647-5815

Property Address: 1123 Kirkwood Drive, Pueblo West, CO 81007

Owner ("Licensor") hereby authorizes the City of Colorado Springs, a home rule city and municipal corporation, on behalf of its enterprise, Colorado Springs Utilities ("Licensee"), its agents or contractors to enter upon said property for the purpose of Revegetation Activities within the lands described in Exhibits B and C attached hereto and incorporated herein by reference. These Revegetation Activities shall include the following: seeding, re-seeding, irrigation, irrigation installation, irrigation and irrigation maintenance, soil preparation, soil amending, minor grading, fence installation, fence maintenance, fence removal, and/or weed control. Any activities outside these defined activities are subject to the property owners consent.

Licensor hereby certifies that he/she is the owner of the property at the address indicated above.

As consideration for the rights granted by this License, the Licensor shall be compensated the sum of Three Hundred and no/100 Dollars (\$300.00), and other good and valuable consideration upon execution and acceptance of this License.

This License shall commence on Sept. 10th, 2012 and terminate one year thereafter. This License shall be non-exclusive and may be terminated by Licensor upon thirty (30) days written notice.

This License shall **not** be recorded at the Office of the Clerk and Recorder for the county in which the property is located.



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This License shall be construed in accordance with the laws of the State of Colorado.

Notices shall be sent to the following addresses:

if to Licensor:

Dwain &

Helen Maxwell

1123 Kirkwood Drive

Pueblo West, CO 81007

if to Licensee:

Colorado Springs Utilities

c/o Deputy Program Director

P.O. Box 1103, Mail Code 930

Colorado Springs, CO 80947-0930

10th Sept.

Dated this 30th day of ~~August~~, 2012

Owner/Licensor:

Helen Maxwell

Dwain Maxwell

Colorado Springs Utilities/Licensee:

[Signature]

APPROVED AS TO FORM
CITY OF COLORADO SPRINGS
CITY ATTORNEY'S OFFICE

[Signature]
Name: Christine S. [Signature]



September 13, 2013

La Vetta Kay
1104 E. Ranch Drive
Pueblo West, CO 81007

RE: APN 505014004

Property Address: 1104 Ranch Drive, Pueblo West, CO 81007

Dear Ms. Kay:

I am in receipt of your letter to Mr. Forte, dated August 26, 2013 expressing your concerns and issues related to the Southern Delivery System (SDS) project. It appears that your concerns revolve around access to your property as we work to ensure the successful re-vegetation of our former pipeline construction areas. I would like to apologize for any misunderstanding and will explain in this letter the circumstances that may have led to some confusion.

Regarding the expiration date of the Temporary Construction Easement, our records indicate that an Order for Immediate Possession was granted by the Pueblo District Court on August 19, 2011. Under the provisions of that order, "The term of the Temporary Construction Easement shall be for a period of one year, which period shall commence upon written notice from Colorado Springs, its contractor, or their agents." A letter, dated August 26, 2011, was written to you informing you that the term of the Temporary Construction Easement would commence on September 26, 2011. Therefore, the term of the Temporary Construction Easement is considered to have been September 26, 2011 through September 25, 2012, and hence has expired.

As you are aware, you were offered the opportunity to participate in the three-year voluntary re-vegetation license program, under which SDS contractors and personnel would gain periodic access in order to continue re-vegetation efforts after the term of the Temporary Construction Easement had expired. Participating property owners are compensated under this program based on a decreasing rate of activity during the re-vegetation period (\$300 for year one, \$200 for year two, and \$100 for year three). Additionally, each property owner is offered the choice to formally opt out of this program. You have declined to either opt-in or opt-out of the program in writing, and this has led to misunderstandings about your expectations regarding future access.

With reference to the 1041 Permit (Mitigation Appendix C-9), we believe that SDS has in fact consistently complied with the terms of the Permit. SDS graded, seeded and planted the disturbed areas on your property within the first period for favorable planting conditions, as required, and we have applied irrigation water to the seeded areas. In addition, SDS has posted the required security bond which, according to the Permit, "... shall be released in full to the Applicant two years following the final completion of the construction contract" unless successful revegetation is not achieved. The Permit

121 South Tejon Street, Third Floor
P.O. Box 1103, Mail Code 930
Colorado Springs, CO 80947-0930

Phone 719.668.4800
Fax 719.668.8734
<http://www.csu.org>

language thus contemplates a multi-year period for the re-establishment of vegetation, and that period has not expired.

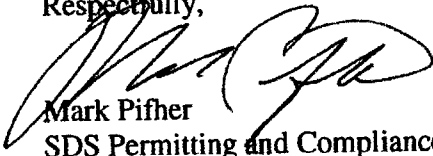
With regard to your Notice of Demand for \$100.00 per day in compensation until completion of re-vegetation, we consider both the demand and the amount to be arbitrary and without any legal or factual basis. A review of the only two court cases fully adjudicated in Pueblo County involving the acquisition of Pueblo West properties for the SDS discloses that a jury of Pueblo County residents arrived at a valuation of \$149 for a one-year temporary construction easement for the SDS project. The August 1, 2013 incident that you cited in your correspondence was an instance in which an SDS contractor, who was maintaining the vegetation growth in the permanent easement area, unknowingly crossed into the former temporary easement while performing those maintenance activities. While SDS is committed to the successful re-vegetation of your property, we also work very hard to be respectful of property owners. We apologize if this maintenance activity was unwanted.

We appreciate that you have previously cooperated with our staff and contractors as we have removed silt fencing, picked up construction debris and planted yucca and shrubs to replace your original plants that were located in the former construction area. In the spirit of that cooperation and to avoid future misunderstandings, we would encourage you to sign up for the year 2 license agreement program (and receive \$200 compensation) or voluntarily opt out of that program. That said, in light of your letter, and absent a signed license agreement from you, Colorado Springs Utilities and its SDS contractors will refrain from accessing, for purposes of conducting future maintenance activities, that portion of your property located in the former temporary construction easement area. However, we will continue irrigation of that area on an as needed basis unless you request in writing that we discontinue that activity as well.

Finally, please note that we have contacted Pueblo County staff for any additional guidance on its expectations of the SDS project when a property owner does not provide clear direction in writing about access for ongoing re-vegetation activities.

Should you have any further questions or comments relative to the above, I encourage you to contact the SDS Construction Hotline at 1-855-737-4968. We remain committed to working collaboratively with you moving forward.

Respectfully,



Mark Pifher
SDS Permitting and Compliance Manager

Cc: Keith King, Colorado Springs City Council President
Jerry Forte, Colorado Springs Utilities CEO
John Fredell, SDS Program Director
Joan Armstrong, Director at Pueblo County Dept. of Planning & Development

La Vetta Kay
1104 E. Ranch Dr.
Pueblo West, CO 81007
719-547-0878
719-994-2185

August 26, 2013

Colorado Springs Utilities
Jerry Forte CEO
121 South Tejon Street, Third Floor
P.O. Box 1103
Mail Code 930
Colorado Springs, CO 810947-0930

RE: APN-505014004

Property Address: 1104 Ranch Drive
Pueblo West, CO 81007

Dear Mr. Forte:

Condemnation of my property was granted by the court to Colorado Springs Utilities on August 18, 2011 starting the possession as well as the one year construction access to the temporary easement as set forth in the Petition in Condemnation.

SDS has not completed the required revegetation of referenced property within the set time frame to comply with the 1041 permit (Contract Mitigation Appendix C-9). For SDS to continue compliance of revegetation access to property is necessary and the property owner is due compensation.

On September 27, 2012 a letter was sent to Colorado Springs Utilities/Lyman Ho, Land Acquisition Manager. CSU was given a Notice of Demand for \$100.00 a day retro to the expiration date of August 17, 2012 until completion of revegetation for prior and continued access to the temporary easement for CSU/SDS to comply with the 1041 Permit.

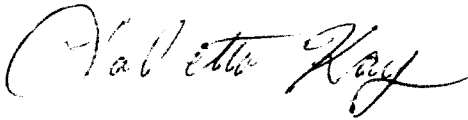
I am not waiving my rights to have my property restored and revegetated to its prior condition before construction. As SDS has not completed revegetation to be in compliance with the 1041 Permit, Property Owner demands the above fore mentioned compensation for access to the temporary easement until the required revegetation is completed.

Let this letter further serve as notice that on August 1, 2013 SDS contractors trespassed not only on to the temporary easement but also property not in the easement area. Under the law even the slightest entry onto land without the property owner's permission entitles the property owner the right to damages in a nominal sum. No notice was given

to the property owner that SDS would be doing any work in the area. SDS contractors did not have permission to access the property. The easement across the street and behind referenced property was not disturbed. Margaret Radford the SDS Construction Facilitator was contacted concerning this incident of trespassing. Ms. Radford could not give any explanation for this violation.

Colorado Springs Utilities is currently in arrears \$36,500.00. Enclosed is your Past Due Bill. I trust that you will expedite the issues concerning this matter and will commence with current and past due payments by September 1, 2013.

Sincerely,

A handwritten signature in cursive script, reading "La Vetta Kay". The signature is fluid and elegant, with a large initial "L" and a long, sweeping underline.

La Vetta Kay

cc: Keith King, Colorado Springs City Council President

Bill

Phone 719-668-4800
Fax 719-668-8735
<http://www.csu.org>

Date	Description	Amount	Payment	Balance
8/18/2012 to 8/17/2013	Compensation for access to the temporary easement for SDS to complete revegetation.	\$100.00 a day	0	\$36,500.00
			Total	\$36,500.00

REMITTANCE
Customer ID: 505014004
Statement Date: 8/19/2013
Amount Due: \$36,500.00
Due Date: 9/1/2013



June 27, 2013

Gary R. Walker
Walker Ranches
7170 Turkey Creek Ranch Rd
Pueblo, CO 81007

Re: Easement Reclamation

Dear Mr. Walker:

I wish to thank you and your consultants for meeting with Colorado Springs Utilities (CSU) and Pueblo County representatives on June 20. The meeting afforded the parties an opportunity to discuss all of the reclamation work that has been performed to date, and to further explore the issues identified on the attached Issues List (List), including the nature of the additional work SDS is prepared to undertake in response to the concerns you have expressed. We hope to commence that work, as further described in the "Responses" section of the List document, as soon as possible.

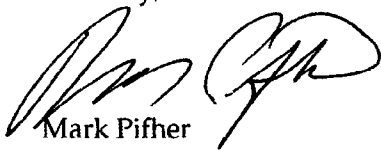
SDS acknowledges that the List represents only those concerns identified to date by the parties based upon the information currently available, and it is possible that additional issues, of which the parties are not now aware, could arise in the future. However, as stated at the meeting, a never ending "do loop" must be avoided and closure must be achieved.

As noted at the meeting, CSU desires to continue to collaborate with you in undertaking the reclamation activities, and will therefore periodically update you and your consultants on the timing, nature and results of the work performed at the site. You should certainly feel free to contact me (719-668-8693) or Kevin Binkley (719-668-3748) at any time should you or your consultants have any information or suggestions related to the work that you would like to share.

In regards to the additional temporary access agreements or licenses that will be needed to complete a couple of the discussed items, per your instruction, we have contacted Mr. Ostrander and Mr. Turner with those requests.

Should you have any questions or comments relative to the above, please do not hesitate to contact me at any time.

Sincerely,



Mark Pifher
SDS Permitting Manager

121 South Tejon Street, Third Floor
P.O. Box 1103, Mail Code 930
Colorado Springs, CO 80947-0930

Phone 719.668.4800
Fax 719.668.8734
<http://www.csu.org>

Pipher letter to Walker dated 6/27/13
Page 2

cc: Joan Armstrong
Don Ostrander
Chris Turner
John Fredell
Laurie Clark
Rick Griffith

Issues List

1. Issue: A six-inch (approximate) mound remains in various areas on each side of the easement.

Response: Southern Delivery System (SDS) will correct this by leveling the mounds where they exist. The SDS revegetation contractor, Western States Reclamation, Inc. (WSRI) will accomplish this task.

2. Issue: Ensure that the topsoil in the reclaimed area was not imported.

Response: SDS has confirmed through the project managers that no topsoil was imported to the site; however, some soil from the north end of the Walker Ranches property was transported to the south end of the Walker Ranches property. A copy of the pertinent soil analysis data from the south end of the ranch property can be provided upon request.

3. Issue: There appears to be non-native rocks in the easement.

Response: In discussions with the contractors and project managers, SDS has confirmed that the rocks in the easement originated from within the construction site. However, some of the rocks undoubtedly came from a depth below the topsoil. Some rocks have already been hand-picked and removed from the site; however, SDS is willing to provide some soil amendments in identified “rocky” areas to aid in the revegetation effort if requested.

4. Issue: There appears to be crowning in middle of the easement.

Response: SDS has enclosed a copy of the available survey data, which appears to show very minimal changes in ground surface elevations between pre and post construction conditions, i.e., less than one foot deviation. This minimal variation is consistent with standard industry practices and, SDS believes, County expectations. SDS has investigated, and material was removed from the site in order to ensure proper site restoration. That said, in select identified areas SDS, in consultation with the experts assisting Mr. Walker, can undertake appropriate

grading efforts in areas where drainage patterns may be adversely affected by current contours as part of efforts associated with issue #5 below.

5. Issue: There exists an uneven grading pattern in easement areas that may promote a poor drainage pattern.

Response: As referenced above, SDS can undertake appropriate grading efforts in areas where drainage patterns may be adversely impacted by current contours. The exact locations will be determined in consultation with the experts assisting Mr. Walker. The parties agree to minimize, to the extent practicable, the temporary movement of existing irrigation lines.

6. Issue: The sprinkler heads do not adequately cover the easement revegetation area.

Response: SDS believes the sprinkler system is adequate to meet revegetation needs. See attached Redente Ecological Consultants (REC) memorandum, which addresses sprinkler head spacing. Parties must keep in mind that there is no permit requirement to irrigate. SDS will be held to the Colorado Department of Public Health and Environment (CDPHE) construction stormwater and Pueblo County 1041 permit revegetation standards.

7. Issue: The check dams must be maintained and removed when appropriate.

Response: SDS will maintain the check dam structures for their useful life as stormwater management Best Management Practices and remove them once vegetation is re-established.

8. Issue: Any underground springs must be maintained so as to ensure their future availability.

Response: A commitment was made in Appendix C-20 of the Pueblo County 1041 permit to prevent injury to springs. During construction, the springs were located with the assistance of the Walker Ranches foreman and the Controlled Low-Strength Material (CLSM) levels in the trench were adjusted to ensure unimpeded flow of the springs.

9. Issue: The access road along the west side of the easement is too deep and will cause drainage flow problems.

Response: The former site of the road has been ripped, fluffed, and reseeded. Close attention was been paid to drainage contours in the completion of this work.

10. Issue: A drainage arroyo is blocked where the concrete improvement was installed.

Response: SDS will rectify this once Mr. Walker grants access to areas surrounding the arroyo, which are outside the easement boundaries for SDS.

11. Issue: It is necessary to ensure that Mr. Walker is able to cross the easement with a new water pipe.

Response: This should not be an issue given the depth of the SDS pipeline. The parties need to coordinate when any trenching for such a pipe is scheduled to occur.

12. Issue: The blow-off valve area needs additional rip-rap for channel protection.

Response: SDS will extend the rock area once Mr. Walker grants access to areas immediately downgradient, which are outside the easement boundaries for SDS. SDS will also provide information on the flow capacity of the blow-offs.

13. Issue: There is off-easement erosion in the Steele Hollow area.

Response: SDS agrees that this is an issue in the northwestern portion of the drainage channel, immediately outside of the existing SDS easement boundary, and will rectify the condition once Mr. Walker grants access to the area outside of the easement.

14. Issue: Revegetation needs to include native plants like cholla as well as grasses.

Response: These species were pulled to the side during construction and pulled back over the alignment as part of the final restoration efforts. The replaced topsoil material included seeds and vegetation from the pre-existing site condition and were mixed with the seeds planted during the revegetation efforts. Applicable permit revegetation requirements will be met.

15. Issue: Concern was expressed that the contractor would be prematurely released from the stormwater permit obligations.

Response: WSRI will continue to hold the CDPHE construction stormwater permit until the revegetation percent threshold under the CDPHE stormwater permit is met.

16. Issue: Was appropriate mulch utilized to avoid weeds/foreign species?

Response: SDS has confirmed that only certified weed free mulch was used. Documentation will be provided.

17. Issue: Identify the porosity of the CLSM material.

Response: SDS we will provide this information. Please also refer to the response to Issue 5, indicating that CLSM levels in the trench were adjusted to ensure unimpeded flow of identified springs.

18. Issue: Are there unacceptable weeds growing on the north end of the alignment along the up-slope?

Response: SDS will have Colorado Natural Heritage Program and/or Pueblo County's revegetation consultant, Dr. Keammerer, confirm what species are growing in this area and its acceptability (as a nurse crop) under the revegetation plan or mitigate appropriately.









David Marciniak

From: HERB WALSH Owner <hkwalsh@q.com>
Sent: Thursday, September 12, 2013 2:29 PM
To: David Marciniak
Subject: Re: SDS revegetation

Mr. David, in regards to your e-mail relating to removing sprinkler pipes in my property, you seem to have all your bases covered. I would also like to add, without your tireless effort everything pertaining to this project on my property would have been a lot more difficult to come to any agreements. You should be considered a valuable asset to the entire Colorado Springs Utilities project. Please forward a copy of this e-mail to your supervisor and the person they report to. Thank you for all your help in my meeting and dealing with all of my issues on this project. Herb Walsh----- Original Message -----

From: David Marciniak <dmarciniak@csu.org>
To: hkwalsh@q.com
Sent: Thu, 12 Sep 2013 13:30:25 -0400 (EDT)
Subject: SDS revegetation

Hi Mr. Walsh!

Thank you for calling to discuss revegetation of the easements for SDS on your property at 1131 Kirkwood Drive in Pueblo West. As we discussed, this email is to document our conversation. It is my understanding that you want to not engage in further SDS revegetation activities and that you are electing to not sign a year 2 license agreement. In addition, you expressed that you want our contractor to remove the sprinkler system associated with the SDS revegetation from your property, and we will work with you to remove the sprinklers at a mutually convenient time before Oct. 4, 2013.

If you agree I have summarized our conversation and your direction accurately, please respond to this email indicating that you concur.

Thanks

David Marciniak

Construction Facilitator

Southern Delivery System Program

(719) 668-3595 (office)

(719) 291-2481 (cell)

9-6-13

Southern Delivery System
Somewhere in Colorado Springs

The purpose of my letter is to address some of my issues and complaints with the construction and collateral reclaiming of returning to "normal" of our neighborhood. The repairs of our asphalt on Linda Ave., the re-compaction and finish grading of our dirt roads, the cleanup of the straw bails, and the response to my calls on questions and worries were handled in a very timely manner.

I know that this is a big project and easy to disregard a citizen contact, but I believe they did a pretty good job, all things considered.

C. Mullins
1280 N. Thorpe dr.
Pueblo WEST, CO., 81007

Sincerely,
Charles Mullins

From: RENEE HUDDLESON

Sent: Wednesday, September 18, 2013 8:07 AM

To: Margaret Radford

Subject: From Renee Huddleson

"Before SDS started, I was worried about how the construction would affect my property and my life. But I was very pleased with the communication and consideration I received from the SDS folks. Margaret (Radford) told me *what I could expect, always kept me posted on what was happening* and made sure that my fences and property were restored after the construction was done. I really liked having the ability to contact my SDS representative any time I needed to by phone. I'm very satisfied." -- Renee Huddleson, 353 N. Escambria Drive, Pueblo West

Sept. 18, 2013

Clara Lucero
Margaret Radford
Southern Delivery System
121 S. Tejon St. Plaza of the Rockies Third Floor
Colorado Springs, CO 80903

Dear Clara and Margaret:

I just wanted to drop you a note to let you how pleased we have been with Southern Delivery System's progress and its process on my properties located west of Pueblo Blvd and south of Highway 50. You both have met all of our expectations and done what you said you would do, executing it all in a proper manner. We couldn't be more pleased with the outcome.

Clara, I so appreciated our meetings that led to the project's acquisition of the easements it needed on my properties. You were so courteous and professional, and always so punctual. You have such a caring demeanor in the way that you do your work and I appreciate it greatly.

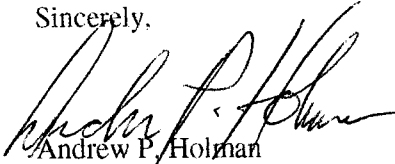
Margaret, you have always been available to answer my questions about the construction process and when work would be complete on my property. The written materials you sent – the letters and the newsletters – were always informative and timely, just what a property owner needs.

The tour that you and Mr. Auge provided of my property after construction – and then driving me down almost to the dam to see the amazing work you've done – it was so educational and interesting. People don't realize all of the planning and work that must go into water projects to make sure that our communities all have the water they need.

And now, revegetation looks like it's coming along very well and the protective fencing is well-maintained. You both did a great job of explaining the revegetation license agreement, and I appreciate being compensated for the access you need to do that work. I tell you, my property there hasn't had much vegetation for decades, so what you are doing there is really great.

I really hope that our commissioners and all of our elected officials continue to work together in cooperation to serve our citizens. Cooperation – not conflict – are the way to get the things done that really matter most.

Sincerely,



Andrew P. Holman
13 Full Moon Court
Pueblo, CO 81001

CC: Pueblo County Commissioners



9-10-13

Clara,

I just wanted to tell
you how much I enjoy
doing business with you.
You are such an asset
to the Colorado Springs Utilities
Company.

It would be such an honor if
you would consider me a
friend from Frankenmuth,
Michigan.
Thanks! Sue Zagg



WORK ZONE

Traffic Control, Inc.

September 19, 2013

Dear Commissioners,

My name is John J. Volk, III, Vice President and Owner of Work Zone Traffic Control, Inc located here in Pueblo, CO. I am writing this letter in reference to the Southern Delivery System (SDS) project. This project has been extremely valuable for my company. We have provided over \$500,000 dollars worth of services for several needs on the project including traffic control, fencing and erosion control to several different contractors working on the SDS project. My company has been able to expand in the overall support of SDS and have made several business relationships that may not have been created if SDS had not been under construction.

Throughout the process of the SDS project, the company has been able to support businesses locally in the amount of material and product purchases required to complete the SDS project. We have also been able to employ additional persons to fulfill the needs of the SDS project.

Our company would like to share how important our work on SDS has been and how much we look forward to the opportunities in the future of the SDS project with the contractors that we have built relationships with and all involved in the SDS project.

Best Regards,




John J. Volk, III
Owner/Vice President

Main Office: 1721 E. Ilex St. • Pueblo, CO 81001
719-296-0222 • • Fax # 719-296-0333

North Office: 308 Mountainview #A • Johnstown, CO 80513
970-532-0812 • • Fax # 970-532-0814

Colorado Springs Office: 1425 Burnham Ct., Colo. Springs, CO 80910
719-391-1357 • • Fax # 719-392-0173





September 19, 2013

Commissioners,

I wanted to take this opportunity to introduce myself and to share with you that the SDS project has benefited ASI Constructors, Inc. (ASI). As you may know, ASI's main office and shops are located in Pueblo West and this project has brought a significant local opportunity to us.

So far ASI has participated in three of the SDS construction contracts including the SDS PDC-1A new outlet works, SDS Pipeline Segments S4B/N1A/N1B, and SDS Pipeline Segment S1. These segments have involved more than 12-miles of SDS pipelines and over \$50 million dollars of contract value to date.

We have many employees who live in Pueblo and we subcontract a substantial amount of work to other Pueblo County based vendors. We have had roughly 70 Pueblo based vendors providing support services for us and have compensated over \$800,000 in wages to our local Pueblo employees in relation to these projects alone, which goes back into our community.

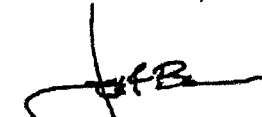
Our work with Colorado Springs Utilities has also helped provide a framework for establishing permitting protocol and procedures. On the SDS Pipeline Segments S4B/N1A/N1B we reestablished over 160 acres 12 months after substantial completion and had no wildlife harmed in the construction process. We have approximately 67,294 man-hours over these three segments with no lost time or recordable incidents. We are proud of the team work between Colorado Springs Utilities, MHW, and ASI.

As the president of ASI, and as a water resource professional, I recognize the value of the water delivery capability of the SDS Project for Pueblo West and our surrounding region. I also understand its importance to our community and to future generations. ASI works throughout the nation and we have seen many examples of communities who did not adequately plan for and construct necessary water infrastructure projects. We recognize that the SDS Project, like any regional project, comes with challenges. We want to take the opportunity to let you know that the SDS Project has directly benefited our company, our local employees, and our local vendors.

Please do not hesitate to contact me with questions.

Respectfully,

ASI Constructors, Inc.



John F. Bowen
President