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**PUEBLO COUNTY  
DEPARTMENT OF PLANNING AND DEVELOPMENT**

December 8, 2014

Colorado Springs Utilities  
Mr. John Fredell, SDS Program Director  
121 South Tejon Street, Third Floor  
P.O. Box 1103, Mail Code 930  
Colorado Springs, CO 80947-0930

Re: 1041 Permit No. 2008-002  
Condition No. 13 County Road Improvements and Restoration  
Mitigation Appendix CR-7 Cash Payment/Escrow/Other Financial Instrument

Dear Mr. Fredell:

In October 2011, Travelers Casualty and Surety Company of America submitted to Pueblo County a Road Rehabilitation Bond, Bond Number 105598247 in the amount of \$16,733,119.00. The Bond is the financial instrument to cover the total costs for rehabilitation of the roads identified in the approved Haul Route Plan.

In your May 29, 2012 letter titled Southern Delivery System, Pueblo County 1041 Permit No. 2008-002/Road Rehabilitation Payments, item 1 gives the payment installment schedule of the \$15 million to Pueblo County: 1<sup>st</sup> installment of \$5 million on or before June 1, 2012; 2<sup>nd</sup> installment of \$5 million on or before January 2, 2013; 3<sup>rd</sup> installment of \$5 million on or before January 2, 2014. "Upon completion of these three payments, Colorado Springs Utilities will be released from any and all obligations related to the cost of rehabilitation of any Pueblo County roads as referenced in Condition 13 of the 1041 Permit and Colorado Springs Utilities' currently posted bond will be unconditionally released."

Pueblo County Department of Planning and Development has received the three payment installations of \$5 million each. Therefore, Pueblo County is satisfied that Colorado Springs Utilities has complied with Condition No. 13 and thereby is releasing Pueblo County Road Rehabilitation Bond, Bond Number 105598247.

Sincerely,

Joan Armstrong, Director

c: Board of County Commissioners  
Greg Styduhar, County Attorney  
Marcy Day, Assistant County Attorney  
Gary Raso, Special Assistant County Attorney  
Raymond Petros, Jr., Esq., Petros and White, LLC  
Alf Randall, Acting Director Department of Engineering and Public Works  
David Benbow, General Services Engineer, Dept. of Engineering and Public Works  
Mark Pifher, CSU SDS Permitting and Compliance Manager  
Kevin Binkley, CSU SDS Permitting and Compliance Specialist  
1041 Permit No. 2008-002 File