



Colorado Springs Utilities

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November 24, 2008

U.S. Bureau of Reclamation
Eastern Colorado Area Office
Attn: Kara Lamb
11056 W. County Road 18E
Loveland, CO 80537-9711

RE: Southern Delivery System Supplemental Information Report

Dear Ms. Lamb:

I submit these comments on the Supplemental Information Report (SIR) for the Southern Delivery System (SDS) Project on behalf of Colorado Springs Utilities, a participant in and project manager for the Project.

Colorado Springs Utilities strongly supports Reclamation's choice of the Participants' Modified Proposed Action as the Agency Preferred Alternative. The Participants' Modified Proposed Action is the most cost effective and environmentally responsible alternative for the Participants to obtain the water they need to meet their future requirements. The implementation of SDS utilizing the Participants' Modified Proposed Action will provide much-needed water-supply redundancy to ensure an uninterrupted flow of water when existing facilities need maintenance or repair. And SDS will provide additional protection from drought. Some have suggested conservation as a substitute for SDS. Colorado Springs has actively promoted conservation for several decades and has the lowest single-family per capita residential water use of any city on the Front Range. Colorado Springs also has expanded the water-delivery capability of our existing system as much as possible. Even with these conservation and system-expansion measures, we have reached the point where we need SDS to meet our obligation to provide the additional water needed by our community.

Colorado Springs Utilities supports Reclamation's decision, based on the findings of the Draft Environmental Impact Statement (DEIS) and public comments, to conduct additional study of the Project's potential impact on water quality. As noted in the SIR, this additional analysis confirmed Reclamation's earlier findings that the Project will not have any major impact on the quality of the water in Fountain Creek.

The SDS DEIS and the SIR provide a substantial and credible evaluation of the various alternatives, thereby satisfying National Environmental Policy Act (NEPA) requirements. Reclamation thoroughly studied each alternative and the potential effects of each alternative, pursuant to 40 C.F.R. § 1502.14(b).

With that background, following are our detailed comments on Reclamation's decision to designate the Participant's Modified Proposed Action as the Agency Preferred Alternative:

1. The water-quality findings from the SIR yielded similar conclusions as the DEIS and provide an increased level of confidence in the DEIS water quality results.

- The SIR employed a different methodology than the DEIS for analyzing E. coli, dissolved selenium and sulfate.
- The separate scientific methods used in the DEIS and in the SIR to measure potential water-quality impacts produced similar conclusions.
- The SIR determined that dissolved selenium levels would meet chronic water quality standards (“WQS”) at most test locations. And test areas that exceeded WQS were already exceeding the standards.
- The SDS Project would have minor beneficial effects on E. coli densities in all waterways within the project area, including Fountain Creek. Fountain Creek E. coli densities would decrease compared to both existing conditions and the No Action Alternative.
- Direct effects on sulfate concentrations would be negligible to minor for all alternatives and would be similar to existing conditions.

The water-quality issues in the Project Area predate plans for the SDS and are not caused by the Project. While the Project Participants have actively engaged in mitigating the water-quality concerns in area waterways, additional mitigations in response to long-term, previously existing environmental impacts should not be a requirement of the SDS Project. Among the efforts to protect and enhance the waterways of the Project Area, Colorado Springs Utilities voluntarily participates in the Fountain Creek Vision Task Force; co-funds the \$600,000 Fountain Creek Corridor Master Plan; and has invested \$40 million to upgrade the Las Vegas wastewater treatment plant; \$100 million for wastewater collection system improvements; \$80 million for the new, state-of-the-art J.D. Phillips Water Reclamation facility; and \$10 million for a unique Fountain Creek Recovery Project. The Recovery Project gives Colorado Springs Utilities the ability to capture spills before they reach Fountain Creek and our downstream neighbors. The Recovery Project has been operational for more than a year but Colorado Springs’ Utilities has not had to use it. Thanks to improvements in recent years, Colorado Springs wastewater spills per miles of pipe in our system are among the lowest in the country. Colorado Springs Utilities will continue to invest in improvements for area waterways and work cooperatively with other agencies and organizations to find proactive improvements to the region’s waterways. Colorado Springs Utilities supports reasonable mitigation requirements to offset the impacts of SDS. However, Colorado Springs Utilities and other Project Partners should not have to mitigate pre-existing or future impacts unrelated to SDS in Project Area waterways.

2. Changes to the Participants’ Proposed Action ensure Alternative 2 is now more environmentally sensitive and better suited for the community.

Locating the terminal storage reservoir for the SDS at Upper Williams Creek rather than Jimmy Camp Creek Reservoir will reduce:

- Effects on wetlands;
- Potential effects on cultural and paleontological resources and prehistoric sites; and
- Potential bird aircraft strike hazards.

Changing the Bradley Road Realignment at the Upper Williams Creek Reservoir Site avoids potential effects on an active golden eagle nest. Relocating the Water Treatment Plant eliminates the potential need for rechlorination facilities between the Upper Williams Creek Reservoir site and customer taps.

Changing the Williams Creek Return Flow Conveyance has the following benefits:

- Avoids effects on wetlands in Williams Creek downstream of the proposed reservoir;
- Avoids effects on aquatic resources, including the state threatened fish species the Arkansas Darter, in Williams Creek downstream of the proposed reservoir; and
- Avoids potential effects on the geomorphology of Williams Creek downstream of the proposed reservoir.

All of the changes to the Participants' Proposed Action ensure the Project Participants can continue to provide high-quality, dependable water supplies to their customers in an environmentally responsible manner.

3. Based upon planning scenarios, the four SDS Project Participants could exceed water storage and delivery capacity by 2012.

The Project Participants have a significant need to increase their water delivery capacity, ensure delivery back-up and continue to provide safe dependable water to their customers.

- Based on planning scenarios in the DEIS, Colorado Springs could exceed its water storage and delivery capacity by 2012.
- Population forecasts estimate that El Paso County will be the most populous county in Colorado by the year 2030, with most of that growth occurring in the SDS Participants' communities.
- Participants' water needs are projected to almost double between 2007 and 2046.
- Colorado Springs Utilities heavily encourages water reuse and conservation but even with these efforts, current system capacity will not provide enough water for the expected growth. The SDS Project will provide the additional water required to meet the increased demand for water.
- The SDS project will use existing water rights already owned by the Project Participants. These water rights are valuable, irreplaceable assets.

4. Reclamation has examined all reasonable alternatives to the SDS Project. Throughout the DEIS and SIR analysis, Reclamation has taken the necessary "hard look" at all possible Project impacts.

- The DEIS and the SIR contain a detailed investigation of all reasonable alternatives to the SDS Project pursuant to NEPA. This included impacts on wildlife, aquatic habitat, water quality and quantity, socioeconomics, land use, environmental and wetland-associated impacts.

- Reclamation provided extensive opportunity for public comment as demonstrated by its dissemination of information to the general public before and during the DEIS comment period; media announcements; information updates to the Project Web site; DEIS comment extension; numerous open house meetings; and elected official briefings.
- Reclamation developed the SIR in response to the findings in the DEIS and public comments. In addition, Reclamation completed additional analysis in response to public comment on the DEIS, which confirmed early findings that the Project will not have major impact on water quality in Fountain Creek.
- The SIR widens the scope of the Project Area, including Western Slope water effects, dam failure analysis, wetlands, riparian vegetation, wildlife habitats, geomorphology, and subsequent WQS monitoring.
- The SIR confirms the findings of the DEIS.

Reclamation has met the requirements of NEPA and those general requirements applicable to preparing an environmental impact statement. With the 3½-month public comment period for the DEIS, Reclamation's Supplemental Information Report updating the DEIS in part to response to those comments, and the additional comment period offering the public an opportunity to comment on the changes reflected in the SIR, Reclamation also has met and exceeded requirements for encouraging and accepting public comments on the SDS. Opportunity for public comment has been robust.

In closing, Colorado Springs Utilities supports the conclusions of the DEIS and the findings of the SIR. Colorado Springs Utilities supports the implementation of the Participants' Modified Proposed Action for the SDS Project. Reclamation's review of SDS dates back several years prior to the publication of the DEIS and included extensive study of a number of alternatives beyond the seven included in the DEIS. The process has been lengthy, thorough and complete. There is no need for more extensions or additional review. Therefore, we urge Reclamation to move forward with the NEPA process by publishing the Final Environmental Impact Statement and developing a Record of Decision.

Thank you for the opportunity to submit our comments to the Bureau of Reclamation on this critically important project.

Sincerely,



John Fredell
Southern Delivery System Project Director
Colorado Springs Utilities