

FIRST AMENDED LETTER OF INTENT

August 27, 2019

SECOND AMENDMENT TO 1041 PERMIT

**STERLING RANCH WASTEWATER MAIN TO CITY OF
COLORADO SPRINGS/COLORADO SPRINGS UTILITIES**

FOR

**STERLING RANCH METROPOLITAN DISTRICT NO. 1
20 BOULDER CRESCENT, SUITE 200
COLORADO SPRINGS, COLORAD 80903**

**Prepared by: P. J. Anderson
30 North Tejon Street
Suite 500
Colorado Springs, CO 80903**

**Bradley A. Simons, P. E.
MMI Water Engineers, LLC
Bradley.a.simons@gmail.com
720-234-8398**

The 1041 Permit Application for the Sterling Ranch Lift Station, with an associated on-site and off-site force main, received an Administratively Approved Permit to conduct the following matter of state interest on February 25, 2016: **“Site Section and Construction of Major New Domestic Water and Sewage Treatment Systems and/or Major Extension of Existing Domestic Water and Sewage Treatment Systems.”**

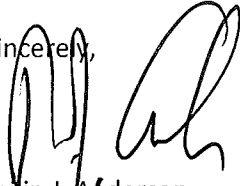
This approved force main alignment was subsequently amended in 2018 to permit construction of the force main in a more directly easterly direction from Sterling Ranch to Meridian Road and then south to the same Meridian Service Metropolitan District/Woodmen Hills Metropolitan District joint wastewater lift station (“Falcon Lift Station”).

Sterling Ranch Metropolitan District No. 1 (“District”) is in the process of finalizing an additional wastewater connection into the City of Colorado Springs’/Colorado Springs Utilities’ wastewater system. The connection to the CSU system will be beneficial to the District and its customers. First, the connection is possible with the construction of a short, 2,263 foot, 18 inch diameter, gravity flow pipeline. Second, this connection eliminates the necessity of pumping wastewater approximately five miles to the Falcon Lift Station. Finally, for the above reasons, the connection will substantially reduce the District’s operational and maintenance costs.

The connection of the District’s wastewater system to the CSU system is not intended to replace or otherwise be a permanent substitute for the connection of the District’s system into the Meridian Service Metropolitan District wastewater system for several reasons. First, the agreement with CSU for service is expected to be subject to a one year term in order to provide the City/CSU additional time to determine long term policies with regard to outside the City wastewater services. Second, to date, the District has purchased 950 wastewater taps from Meridian Service Metropolitan District at substantial expense and intends to utilize these taps to realize a return on its investment. Finally, there are topographic, geographic and cost of service reasons why the District may decide to serve customers within its service area through the Meridian system rather than the City/CSU system.

The necessary easements and final, executed Intergovernmental Agreement with the City/CSU are being uploaded on EDARP with this amended Letter of Intent. The applicable sections of the County’s Guidelines and Regulations for Areas and Activities of State Interest, Sections 2.303 and 4.201, have been addressed in the County’s previous 1041 approvals for Sterling Ranch’s water and wastewater systems. Specifics for this alternate pipeline are contained in the construction drawings, drainage information, financial assurance forms, legal description, Erosion and Stormwater Quality Control Permit (ESQCP), Vicinity/Location Map, and MS4 Post Construction Form being uploaded concurrently on a separate EDARP submittal.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Anderson', written over the printed name below.

Philip J. Anderson

General Counsel, Sterling Ranch Metropolitan District No. 1