

A New Way to Manage Installation Utilities

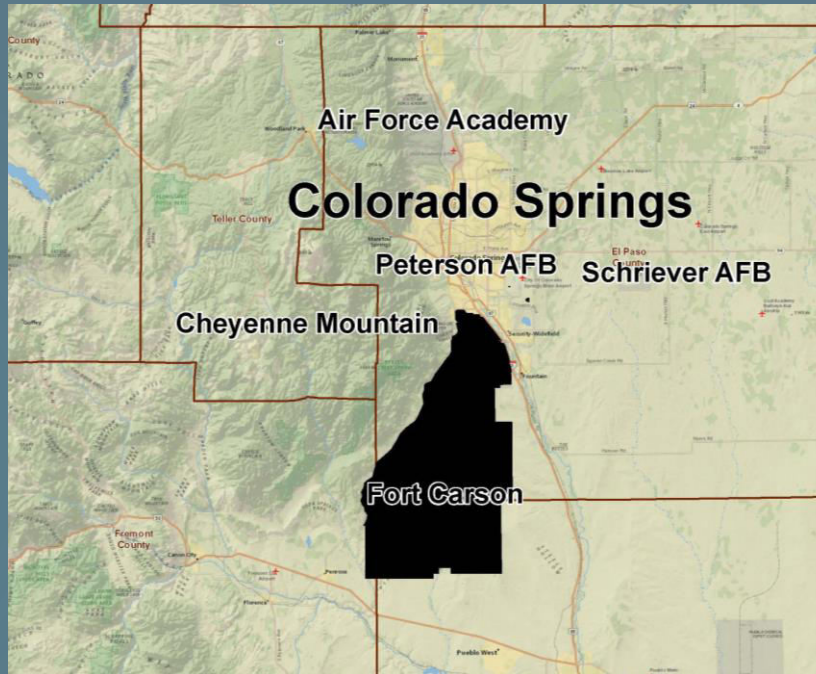


FORT CARSON & COLORADO SPRINGS UTILITIES PARTNERSHIP



Fort Carson & Colorado Springs

3



- ▶ 137,000 acres on the southern edge of Colorado Springs
- ▶ Additional 236,000 acres of training lands in southern Colorado
- ▶ Readiness installation with over 26,000 Soldiers
- ▶ Over 14 million square feet of facility space
- ▶ \$2.2B annual impact on the local economy
- ▶ 2019 Colorado Springs Rated the **#1 Most Desirable Place to Live**



Springs Utilities

4



Current Utilities

- ▶ Operations & Maintenance Contract since the 1980s
- ▶ 300 contract personnel provide public works services
- ▶ Services Include:
 - ▶ **Electrical, natural gas, water and wastewater distribution system maintenance and operation of wastewater treatment plant**
 - ▶ Operation of heating/cooling plants
 - ▶ Preventative and recurring maintenance on facilities and infrastructure
 - ▶ Roads and ground maintenance, snow removal
 - ▶ Dig permits, locksmith services, signage, warranty maintenance, etc.
- ▶ Contract is currently ~ \$40M/year



Intergovernmental Support Agreement (IGSA)

6



- ▶ Met in Jan 2018 to gauge interest
- ▶ SMEs met routinely to build scope
- ▶ Community Partnership Workshop May 2019
- ▶ Army approval of IGSA Sep 2019
- ▶ Currently working agreement details
- ▶ Anticipate start in early 2021

Privatization vs. IGSA

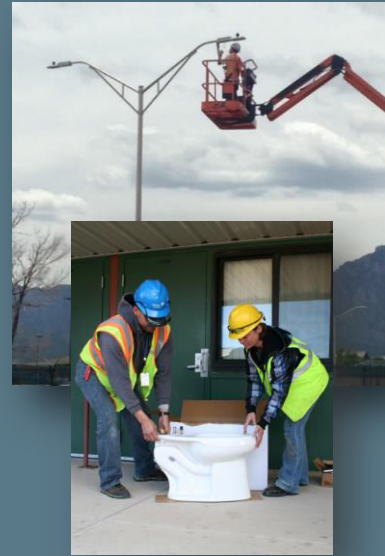
7

► Privatization is Beneficial when:

- Infrastructure is in poor condition
- Need to leverage private equity
- Technical expertise is needed
- Third Party Ownership is preferred

► IGSA is Beneficial when:

- Infrastructure is in good condition
- Installation maintains ownership
- Municipal partner willing to support
- Potential for savings



LED Retrofits and Low Flow Toilets
(Springs Utilities Rebates Secured)



Peak Shaving Battery



Fort Carson Natural Gas
Regulator Station



1 of 3 Fort Carson Substations

Fort Carson Benefits

8

- ▶ Projected Savings of \$2.4 M/Year
- ▶ Demarcation point will move from the fence to 5 feet off every facility
- ▶ Increase efficiencies through economies of scale
- ▶ Faster response time to crisis situations
- ▶ Fort Carson retains ownership of utility delivery systems
- ▶ Leverage expertise & resources of partner
- ▶ Enhances mission readiness & resiliency



Springs Utilities Perspective

9

- ▶ Common vision and goals (efficiency, resiliency)
- ▶ Collaborative effort to develop scope
- ▶ FAR “light” agreement – allows us to operate Fort Carson’s systems based on best practices
- ▶ Financial risk mitigation for both parties
- ▶ Terms (10 years) supports proper staffing & development
- ▶ Natural extension of core business activities
- ▶ Support for critical community partner



Next Steps

10

- ▶ Springs Utilities – Obtain Approval of IGSA by Utilities Board
- ▶ Fort Carson: Renegotiate Operations & Maintenance contract to decrease scope
- ▶ Implement in early 2021
- ▶ Partner on future resiliency efforts in the region



Questions?

11

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