

Utilities & Infrastructure Partnership Meeting
Meeting Summary
August 27, 2009, 10:00 – 11:30 a.m.

Attendees:

Mike Fink – City of Fountain Utilities
Vince Guthrie – Fort Carson Utilities
Kate Hatten - PPACG
Roy Heald – Security Water & Sanitation
Janet Johnston – Colorado Springs Utilities

John McGinn – Widefield Water & Sanitation
Curtis Mitchell – Fountain Utilities
Kellie K. Smith – Colorado Springs Utilities
Sarah White - PPACG

Growth Plan Phase 2 Update:

Sarah White started introductions and provided an overview of the Fort Carson Regional Growth Plan and the Phase 2 status. The Office of Economic Adjustment (OEA) awarded PPACG an additional grant to conduct further research and planning related to Fort Carson growth. Phase 2 of the Fort Carson Regional Growth Plan is in process and will provide more detailed information and more reliable demographic projections regarding soldiers and families.

PPACG is still collecting demographic data regarding Fort Carson troops and families. PPACG and BBC Research & Consulting (BBC) conducted surveys at the Fort Hood Mountain Post Welcome in May 2009 and the local Mountain Post Welcome in July 2009. BBC is still analyzing the survey data and will present new results based on surveys and other analysis soon. PPACG will provide the Utility Partnership Group members with any pertinent information as it becomes available.

PPACG is also analyzing data obtained from DEERS West. PPACG, with the assistance of Fort Carson personnel, is “scrubbing” the data. Once this information is finalized, demographic and other information will provide a higher level of detail that will be used for, among other things, predicting where incoming soldiers and their families will likely reside. The analysis will also be useful for depicting the areas that will be impacted by future growth and deployment cycles.

More qualitative data (e.g., where families want to live and what preferences they have for child care) will come out of focus group interviews with military families and surveys at Fort Carson in the fall. That information will also help determine families’ needs for services and preferences for housing, schools, child care, etc.

PPACG partnered with the Pikes Peak Workforce Center to develop a preliminary report on Fort Carson soldier and family demographics; this interim report was completed in June 2009. Members of the Partnership Group received electronic copies of this report. Ms. White cautioned the members that the numbers in the draft report are out of date, as they still reflect the Grow the Army 5th BCT numbers. The purpose of the draft report is to show what information will be analyzed and how the growth model will function. Updated growth projections will be provided as they become available.

Although, utility issues are not a specific task area in the Phase 2 project, PPACG continues to monitor the needs of utility providers related to Fort Carson growth. PPACG recognizes that

new needs have arisen since the initial phase of the Fort Carson Growth Plan. In particular, the drastic decline of development has put an additional strain on utilities reliant on tap fees. This issue was brought forth during a meeting with the OEA Project Needs Assessment (PNA) team visit in June. Representatives from Fountain Utilities, Widefield Water & Sanitation and Security Water & Sanitation presented projects to the PNA representatives for possible federal funding. The biggest problems noted by the utility providers at the PNA meeting was the difficulty of providing services with too few funds (i.e., money from tap fees) and paying for needed infrastructure to accommodate Fort Carson-related population growth.

Fort Carson Construction and Infrastructure Update:

Vince Guthrie provided updates regarding construction and related utility issues on Fort Carson. Construction on Wilderness Road continues; however, this construction will not include barracks and an athletic facility because of recent DoD decisions not to add an additional (Grow the Army) brigade at Fort Carson. August 2010 is the target completion deadline for construction on Wilderness Road.

Colorado Springs Utilities (CSU) extended a gas line to Fort Carson's Gate 5. An extension to Gate 6 will be needed to serve facilities along Wilderness Road. The existing service contract will pay for the extension of the gas line. Fort Carson and CSU are coordinating very well on utility projects, especially with the utility extension through the South Academy interchange

Fort Carson installed an additional water tank and will be upgrading a substation and switching out equipment. Fort Carson also received \$5 million of American Recovery and Reinvestment Act (ARRA) money for improvements on sewer and electric lines. Fort Carson may consider pursuing a SmartGrid investment grant through Colorado State University to fund moving electric lines and upgrading substations.

Fort Carson participates in the Renewable Energy Consortium (REC), a regional military working group focused on bringing renewable energy to the region. The Economic Development Corporation (EDC), Schriever AFB, Buckley AFB, the Governor's Energy Office and CSU are members of the REC. The REC has identified three sites near Department of Defense (DoD) installations for possible concentrating solar power (CSP) plants. The possible CSP sites include areas around the Nixon Power Plant, the Pueblo Chemical Depot and Schriever AFB.

On/Off-Post Utility Needs:

The group discussed utility providers' issues and needs off-post. As stated earlier, the three utilities adjacent to Fort Carson fund infrastructure projects through tap fees, and these fees are much lower due to the decline of development.

John McGinn reported that Widefield Water & Sanitation District received \$1.7 mil of ARRA funds (loan forgiveness, as opposed to grant money) for sewer improvements. The challenge is that the growth area in Widefield is at the very east of the district, whereas the water

infrastructure is on the west side of the district. The difficulty is getting the water out to the eastern developments.

The decline of tap fees is compounded with unusually wet weather this year and the continued water conservation behavior from users which also cut into cash flows. (While conservation may pose financial challenges for utilities in the short term, conservation does help utilities in the longer term by delaying the need for increased infrastructure.) Currently, Widefield is two years behind in capital infrastructure and needs more development to help them catch up.

Michael Fink reported that Fountain also had lower water usage primarily because of conservation. Fountain had a high inventory of empty houses in the beginning of the year, but has experienced an influx of soldiers who are absorbing most of the empty houses. However, purchases of existing homes do not result in additional tap fees. Also, because of current economic conditions, home builders have asked utility providers for relief by delaying tap fee payments; most utilities are unable to accommodate this request because of their financial situations, but the utilities are trying to work with the homebuilders, particularly around incentives for conservation efforts. Additionally, Fountain Utilities has contracted with Fred Crowley to conduct elasticity survey of Fountain's tap fees to determine whether the fees are appropriately priced.

It was noted that Colorado received \$62 million of ARRA money for drinking and waste water. However this amount is too low to cover all of the utility projects in the state. There is speculation there will be a second round of discretionary money from unused funds.

Curtis Mitchell stated that energy side is not experiencing the same problems as wet utilities. He also discussed Fountain's renewable energy portfolio, noting that Fountain is seeking additional wind power. Therefore, it appears that addressing water infrastructure is a higher priority for local utilities in meeting Fort Carson growth-related needs.

Phase 1 Recommendations:

Ms. White provided the members a copy of the Phase 1 recommendations related to utilities. She asked the members to review the recommendations and provide any suggestions, comments or revisions via email. It was noted that good data from Fort Carson regarding expected growth will continue to be important for utility and other planning efforts.

Next Steps

Future Utilities and Infrastructure Partnership Group meetings will be scheduled as needed. Additional information regarding Fort Carson troop projections will be provided via e-mail.

The next CDMC meeting is September 16 from 3:00 to 5:00 p.m.

The meeting adjourned at 11:30 a.m.