

# Final Draft Proposal Discussions Tinker Air Force Base Municipalization

RFQ OCWUT 12-14A | February 24, 2015



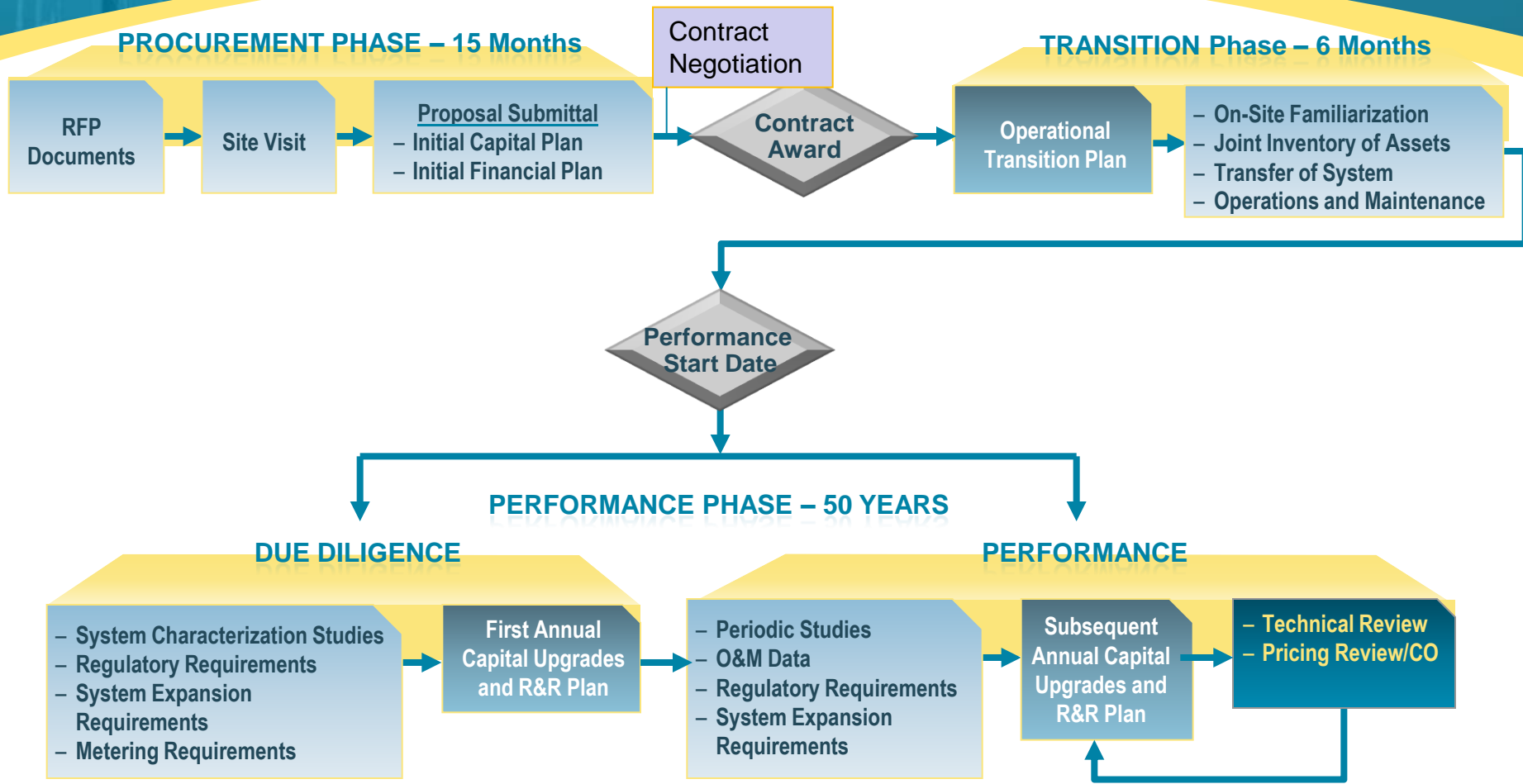
**MWH**

BUILDING A BETTER WORLD



**guernsey**

# Project Approach



# Objectives

- No significant impact to existing ratepayers from the Tinker AFB acquisition
- Retain Tinker AFB as a strong employer and key economic engine of the community
- Minimize the number of new, full-time employees required to operate and maintain the Tinker AFB systems

# Proposal Documents

## Base Proposal

- Water System – supply Tinker AFB with groundwater via operating its 23 existing wells
- Wastewater System – construct a new interceptor to eliminate most of the 50 existing lift stations

## Alternate Proposal

- Water System – supply Tinker AFB with City water to eliminate most of the 23 existing wells

# Regulated Tariff Model & Contractual Remedies

- The TRUST will submit a regulated tariff price proposal
- The TRUST will adjust its regulated tariff rates in accordance with its established practices to recover its cost of service to Tinker AFB
- The proposals contain protective language, and a process to complete needed due diligence to minimize the risk to OCWUT
- Contract mechanisms enable intermittent cost recovery for differing site conditions, new service requirements, equitable adjustments, environmental liabilities, or changes in law or regulation

# Guiding Principle: Minimize New OCWUT Staff Required for Tinker AFB Systems

**Capital Improvements:** Capital projects reduce the intensity of operations

**Consultant Support During Transition and Performance Phases:**

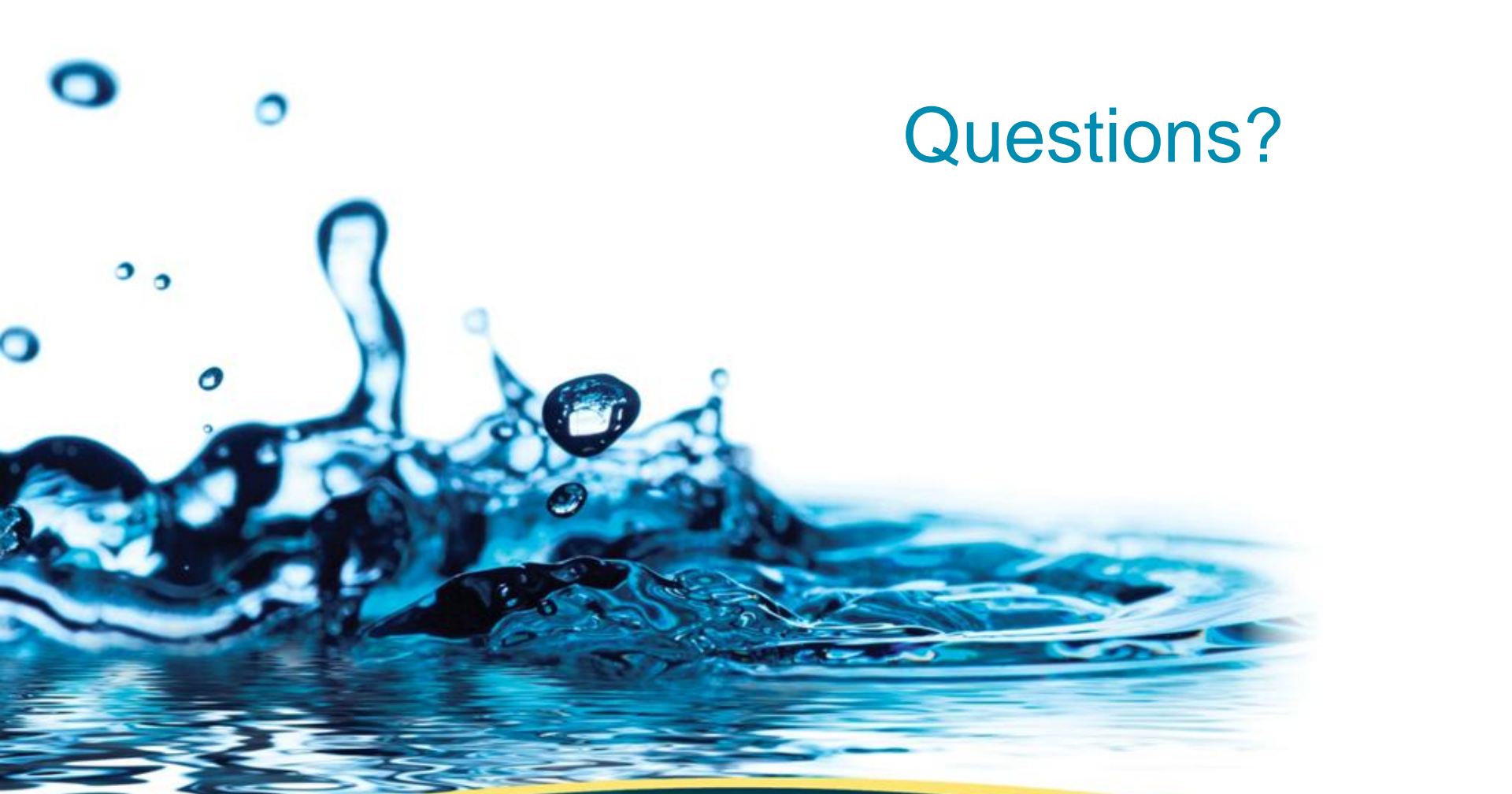
- Engineering and Construction Community Engagement
- Assistance During Transition
- System Characterization Studies and Annual Capital Plans
- Federal Contract Compliance
- Manage the Design, Site Engineering Construction, Startup, and Commissioning of Capital Improvements

**Specialized Services:** OCWUT will engage specialized subcontractors to complete services requiring specialized experience and equipment

# Features and Benefits of The Tinker Project

- The proposals contain protective language and a process to complete the needed due diligence to manage risk
- Cost-of-service principles will be used to adjust forward pricing
- New staffing has been reduced using capital upgrades, consultant support, and specialty services
- The Oklahoma City community benefits by providing long-term utility service to sustain a key employer and economic engine for the region
- Local engineers, contractors and other utility support enterprises benefit by performing the design and construction of the new capital improvements enabled by these contracts

# Questions?



**MWH**

*BUILDING A BETTER WORLD*



**guernsey**