

Wastewater Treatment Division (WTD)

Long-term Capital Needs Forecast

Progress Update for MWPAAC

September 07, 2023

Current status

- Negotiating a work order with Consor/Raftelis
 - Nationally recognized with requisite expertise
- Scopes for both RWQC motions are packaged together for efficiency
- Notice to proceed in September 2023
- Initial steps include identifying and interviewing peer agencies

Methodology for long-term capital improvement needs

Work Order Task Scope

- Assessment of WTD's current capital forecasting methodologies
- Identify 3 to 4 alternative methods, analyze pros and cons, and develop a recommended methodology
- Produce template for long-term capital forecast

Requirements

- Use Portfolio Management categories
- Accommodate multiple time horizons (20, 50, 75 years)
- Allow for scenario testing with different assumptions
- Clear and understandable

Methodology for long-term financial forecast

Work Order Task Scope

- Document the assumptions (aka variables) that affect WTD financial forecast
- Identify refined or alternative variables, evaluate and make recommendations
- Develop sensitivity analyses to illustrate effects of different variables
- Create standard templates for use in future forecasts

Requirements

- Accommodate multiple time horizons (20, 50, 75 years)
- Provide observations and insights as to how forecasts can inform decision-making
- Clear and understandable

MWPAAC Engagement

Date	Deliverable
Sept. 7, 2023	Scope of Work review and comment
Fall 2023	Asset Management Work Group Meetings – Capital Needs Forecast
Nov/Dec 23	Presentation on Capital Needs Forecast Methodology at MWPAAC Subcommittee
Dec. 14, 2023	Recommendation Discussion at MWPAAC - Capital Needs Forecast Methodology
July 2024*	Long-Term Financial and Sewer Rate Forecast progress update
April 2025*	Long-Term Financial and Sewer Rate Forecast progress update
July 2025*	Brief MWPAAC on Long-Term Financial and Sewer Rate Forecast with supporting materials

*Estimated time frames, additional engagements are anticipated.

Important RWQC Dates

Date	Deliverable
Jan 2024	Brief RWQC on recommended capital forecast methodology Provide progress update on financial forecast work
July 2024	Financial forecast progress update
April 2025	Financial forecast progress update
July 2025	Financial forecast recommendations

Questions?

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