

Wastewater Utility Financial Plan

Scope of Work

Task 1: Project initiation

Work Plan Activities

- **Project Management**
 - Provide prompt invoices, conduct regular calls with the Town’s project manager, manage Raftelis resources and meeting defined timelines.
- **Pre-Project Initiation Meeting**
 - Supply data request in advance of project initiation meeting.
 - Review prior Town rate models prior to the meeting.
 - Schedule conference call to review and clarify data request items.
- **Project Initiation Meeting (Project Kick-off Meeting)**
 - Finalize project management items – invoicing, communication protocol, roles and responsibilities.
 - Discuss key objectives and desired outcomes of the study.
 - Discuss other policy objectives that may affect the study (e.g., reserve policies, debt coverage requirements, etc.).
 - Review and clarify remaining data request items.
 - Finalize schedule, deliverables, and milestones.
- **Deliverables**
 - Kick-off meeting
 - Technical memorandum summarizes the list of items above.

Task 2: Plant Investment Fees

Work Plan Activities

Conduct the following analysis for the wastewater plant investment fees in compliance with Wyoming State Statute 15.7.602

- Calculate the current value of available capacity and planned growth-related costs. We will evaluate the valuation in one of two ways:
 - The value of system facilities will be evaluated using the existing asset listing, or
 - The unit replacement cost of the water system’s backbone facilities (treatment plant, lift stations, force mains, major trunk lines.).
- Estimate the remaining capacity in existing facilities and capacity to be added with future facilities (e.g. growth-related CIP)
- Apply adjustments such as developer contributions and outstanding loans currently paid through rates.
- Determine the remaining existing capacity and future capacity to be added for the wastewater system.

Wyoming State Statute 15.7.602

- “A one-time connection fee reasonably calculated to permit recovery of a proportionate share of the municipality’s infrastructure cost necessary to treat and convey the water may be charged. A one-time fee may also be charged to recover reasonable expenses incurred by the public entity in determining the actual costs of treating and delivering water to the point of connection.”

Task 2: Plant Investment Fees

Work Plan Activities

- Establish the peak contributed wastewater flows for a ¾' water meter.
- Compare tap fees under the new structure to fees under the existing structure.
- **Deliverables**
 - Technical memorandum summarizing the assumptions, data sources, and the calculated water and wastewater tap fees with assessment schedule and calculated alternative fee schedules.
 - Conference call with Staff to review preliminary results

Task 3: 10-Year Financial Plan

Work Plan Activities

Develop separate revenue requirement financial plan projections for water incorporating the following:

- Create a financial plan for the study period 2022 to 2031. Within each financial plan, prepare separate cash flows that track annual operating activities and capital activities.
- Forecast billable volume for all wastewater customer classes.
 - Tabulate and summarize monthly billing data by customer class.
 - Calculate the estimated contributed residential commercial flow to the WWTP.
 - Calculate the number of bills and accounts by meter size (if available) for the rate structure alternative analysis.
 - Project billable wastewater flows considering changes as a result of changes in water use.
- Forecast revenue under existing rates using the demands projections in Task 2, tap fees, and other miscellaneous revenues. Tap fee revenues will be projected based on the growth estimates of infill and new development.
- Forecast operations and maintenance (O&M), repair and replacement (R&R) capital, expansion capital (based on master plan results or other engineering reports), and existing and proposed debt service. Incorporate new positions, changes in operating efficiencies, inflation, etc.
- Find the projects eligible for bond or state loans (SLIB loans) based on timing, duration, and the amount of the project. Raftelis can present financial plan alternatives considering specific projects financed through state loans or grants that have been secured by the Town.
- Develop 'optimal' revenue requirement financial plan balancing a mix of cash funding and debt financing capital projects (if applicable) while meeting reserve targets and debt service coverage requirements and minimizing revenue increases. Calculate annual rate revenue adjustments needed through the study period.
- Review existing reserve levels for wastewater and recommend changes based on specific financial risks or upcoming large capital expenditures.
- Conduct an on-site meeting to review preliminary results with Town Staff.
- Update financial plan scenarios based on feedback from Town Staff
- Update rates under existing rate structure based on proposed financial plan adjustments.
- Prepare a rate survey of communities for use in the final Trustee presentation.
- **Deliverables**
 - Technical memorandum summarizing initial draft results for Staff's review.
 - Conference call with Staff to review, conduct live scenario analysis, and complete cash flows for use in the cost of service and rate design analysis.
 - Technical memorandum summarizing the assumptions, data sources and final financial plan scenarios

Task 4: Reports

Work Plan Activities

- Prepare a draft summary report of findings and conclusions of the study for Staff to review and comment.
- Incorporate comments from the draft report into a final report.

Summary of Deliverables

- **Technical memorandums**
 - Project initiation meeting
 - Plant investment fee memorandum
 - Preliminary and financial plan scenarios
- **Meetings**
 - Project initiation meeting
 - Financial planning meeting
- **Other deliverables**
 - Draft report
 - Final report

Fee

The following table provides a breakdown of our proposed fee for this project. This table includes the estimated level of effort needed for completing each task and the hourly billing rates for our project team members. We have included costs for regular virtual meetings, but this proposal excludes on-site meetings and any meetings with Council. We've estimated this project at \$28,515

Tasks	Hours					Total Labor	Total Expenses	Total Labor and Expenses
	TMC	LC	SC	Admin	Total			
1. Project Initiation Meeting	8	6	-	1	15	\$3,645	\$150	\$3,795
2. Plant Investment Fees	4	6	12	-	22	\$4,480	\$220	\$4,700
3. 10-Year Financial Plan	6	12	60	-	78	\$14,670	\$780	\$15,450
4. Reports	6	6	8	-	20	\$4,370	\$200	\$4,570
Total Estimated Meetings / Hours	24	30	80	1	135			
Hourly Billing Rate	\$295	\$200	\$175	\$85				
Total Professional Fees	\$7,080	\$6,000	\$14,000	\$85		\$27,165	\$1,350	\$28,515

TMC - Todd Cristiano (Project Manager)
 LC - Lead Consultant
 SC - Staff Consultant

Schedule

Raftelis will complete this scope of work within the timeframe of the wastewater master plan study. Typically, financial plan studies of this size take approximately four months from initial kick-off meeting to final Board presentations. The timing of a draft-final capital improvement plan will be the primary driver in the length of our work. However, we anticipate that our work will be complete in time for submittal of the draft master planning report.

Hourly Rates

Below is Raftelis' current fee schedule.

Position	Rate
Executive Vice President	\$375
Vice President	\$340
Senior Manager	\$295
Manager	\$260
Senior Consultant	\$230
Consultant	\$200
Associate Consultant	\$175
Graphic Designer	\$150
Analyst	\$125
Administration	\$85