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Sent: Monday, June 26, 2023 1:00 PM
To: Giambattista, Jennifer
Cc: Chuck Clarke; Penny Sweet; Lee, Andrew (SPU); John McClellan; Ryika Hooshangi
Subject: Re: Review requested by 6-29 on draft motion for RWQC

Categories: Red Category

My comments on the Motion.

1. There has been concern expressed that a model to project capital costs is only one piece of a long term financial forecast. Discussions by the Committee during the development of the work plan clearly focused on a financial model. I believe that most Committee members have been expecting that the adopted work plan included a financial model. It is recognized that such an effort will take time, and that the capital component is a critical element of a financial model. To that end I believe the Committee will want to be assured that a long term financial model is still an expectation. To that end I would suggest some changes in the Motion for the WHEREAS section starting on line 56.

"WHEREAS, developing a method to forecast future financial investments for the capital improvements program beyond the next ten years will inform **the next step in developing a longer term Financial Model which will be the basis for forecasting** long term rates, and **such Financial Model will also** provide helpful information for decisionmakers to better assess the effect of policy choices and,

2. Terminology. WTD uses the term "asset management" for different purposes, and generally differently than other agencies. In the context of a capital program and as relates to this Motion a more commonly used term is "replacement and rehabilitation" (R&R). The International Infrastructure Management Manual (IIMM) defines Asset Management as *"The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost-effective manner."* I would suggest that term "asset management" used in line 73 be changed to replacement and rehabilitation.

Lloyd Warren
