



HOW TO GET A GREAT RATE ANALYST

Every city and rural water district needs to have rates that are adequate, fair and defensible.

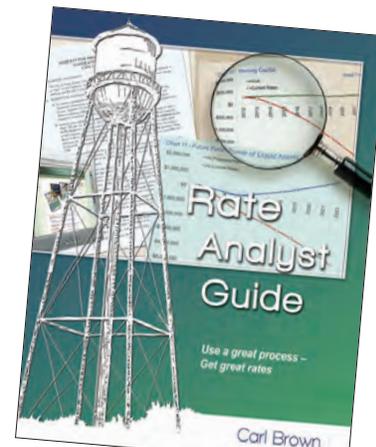
Perhaps you have met or heard about a service provider who is well-meaning but he or she is just not suited to this line of work. There are also some pretty good service providers out there. Regrettably, great rate analysts are scarce, but they do exist.

Whether someone is a full-blown crook or just a bad service provider, this is a big problem. Yes, there are some utilities that get taken to the cleaners. But because of the horror stories that circulate, there are many cities and water districts that shy away from having their rates analyzed at all. That leads to bad rates, which leads to angry ratepayers and poorly funded systems.

Despite the horror stories, you can get a great rate analyst at the right time for reasonable fees with almost no risk. You just need to go about it properly.

What is proper?

- Talking very little, specifying even less;
- Listening carefully to prospective rate analysts;
- Making it easy for them to propose to you;
- Critically evaluating their proposals; and
- Checking their references, guarantee and proposed fees.



Download this free Rate Analyst Guide at carlbrownconsulting.com

What is not proper?

- Mailing a 10-page written Request For Proposals to every service provider you can find;
- Not verifying that your prospects are actually rate analysts;
- Not talking with prospects;
- Taking two months to get the analyst on-board, and;
- Paying a fortune.



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KRWA Shortcut to Great Rates

KRWA has initiated the Kansas RATES Program to help cities and water districts get their rates set properly, simply. Through the program, KRWA provides basic rate reviews, FREE OF CHARGE! Most of the time, that is all that is needed. But when the situation is more complex, KRWA will refer those systems to the author's firm to get a service and fee proposal. If the city or RWD then wants to proceed, the firm will do an analysis and assist in getting rates, fees and everything else set up properly.

In addition to rate reviews and analyses, KRWA will be sponsoring five-hour training sessions entitled "Getting Good Rates for Cities and Rural Water Districts." By the time this article is printed, sessions will have been conducted in Salina, Tonganoxie and Iola. Additional sessions are in the planning stages. If your city or RWD is interested in learning how to logically set water rates, let KRWA know. The Association will do everything possible to schedule rate setting training in your area.

The bottom line is this. Every city and rural water district needs to have rates that are adequate, fair and defensible. By providing rate reviews, analyses and training, KRWA can get you there. Please consider making the Kansas RATES Program your first step toward getting the rates you need.

As you might imagine, soliciting and selecting the right rate analyst requires attention to more why, when and how-to details than this. Those details can be found in the "Rate Analyst Guide," a free download at carlbrownconsulting.com/. You don't even have to register, give your e-mail address or anything else to get it. This guide is written by a 19-year veteran of rate analysis. The guide also includes a link to a free model request for qualifications and proposals in Microsoft Word format. Use the guide and the RFP to get this critical task right.

In closing, consider this thought. When utility ownership costs were low, rates were low, so unfair rate structures were no big deal. Costs are no longer low. Rates must go up. That means fairness now counts.

Water systems often need higher but fair and appropriate rates at reasonable cost. Select an analyst properly or just take advantage of the Kansas RATES Program and you will get there just fine.

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