

# Wyoming RATES Program

The Wyoming RATES<sup>1</sup> program is for water, sewer and other utilities. Carl Brown Consulting, by agreement with the Wyoming Association of Rural Water Systems (WARWS), will give WARWS system members a 25 percent discount on comprehensive rate analysis<sup>2</sup> fees<sup>3</sup>.

Services to your system will be tailored to the needs of your system. But, your project should unfold like this:

1. First, you need to call Carl Brown at (573) 619-3411 and talk over your situation. Mr. Brown will figure out what you are up against. IF rate analysis is needed, Mr. Brown will give you a proposal. Otherwise, Mr. Brown will refer you to books, guides, software programs, Rural Water Association staff or other resources for handling other issues.

Mr. Brown's Credentials:

- Since 1993 has performed rate analysis, rate setting advisement, software development and system funding and planning,
- Trained thousands of rate setting practitioners and local government leaders and managers around the U.S.
- Uses a reality modeling approach to solving rate and finance problems.
- Visit <http://carlbrownconsulting.com/about/ReferenceList.pdf> for more.

2. Assuming your system does need a rate analysis now, Mr. Brown will scope your project. He will also find out if your system is a member of WARWS.
3. Mr. Brown will prepare a service and fee proposal for you. It will look much like this one <http://carlbrownconsulting.com/resources/articles/Moorcroft.pdf>. All proposals include a five percent discount if paid within thirty days of proposal acceptance. In addition:
  - a. If your system is a member of WARWS or will join promptly, the proposal will include a 25 percent discount on our regular rate analysis fees.

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<sup>1</sup> "RATES" stands for the Rate Analysis and Training for Environmental Systems program. Through RATES we perform a comprehensive rate analysis to assure that user rates and fees are adequate to pay all costs and build appropriate reserves, rates are fairly structured and they are appropriately simple or complex to satisfy each system's needs.

<sup>2</sup> Comprehensive rate analysis is the process of accurately modeling everything that now or in the future may have an important effect on a utility's financial future. Then rates, fees, costs and all other variables can be modeled to find the best way forward. This is an open, fact-based way of arriving at adjustments. Ratepayers like that. The resulting adjusted rates largely "sell" themselves because the fact-based reasoning for them is laid out for all to see.

<sup>3</sup> On-site visits are not included; however, such travel is usually not needed anyway. For a full discussion of fees, visit <http://carlbrownconsulting.com/general/ratestudycost.pdf>.

- b. Non-member proposals will include our regular fees, which are already lower than almost all other rate analysts' fees anyway. (We like full fees but we still think WARWS membership will serve your system well.)
4. If you want to accept one or more services from our proposal you can just call us to tell us so.
5. Once we have your acceptance, we will start the project. To do that we will ask you for data and information. Most of this is described in the "Data Needs Sheet" at <http://carlbrownconsulting.com/resources/ratestudy/DataNeedsSheet.pdf>. You may not know what some of this data is or how to get it. Not to worry. We will guide you through everything.
6. Using your advice and input, we will perform the analysis.
7. Once the analysis is essentially complete we will e-mail you a proposed final report and analysis package. It will look much like the analysis in this package <http://carlbrownconsulting.com/resources/articles/Moorcroft.pdf>.
8. When we finally arrive at a rate setting and financial plan that suits you, you may present that plan to your board or council yourself or have Mr. Brown do it. If issues are complex, we will probably advise you to have Mr. Brown do that presentation. Otherwise, you can do it. You can even have Mr. Brown participate by speaker phone during your meeting, if that will help.
9. The board or council will settle upon new rates and fees and adopt an ordinance or rule to make them effective. Now you're off and running with new rates.
10. As time goes by you should track the system's financial performance. If it performs much like the analysis had predicted, and it probably will, no fine tuning is needed. If not, you should call Mr. Brown to discuss what to do next.
11. Each following year, preferably during budget preparation time, you should compare the system's financial performance with the projections in the analysis report. If you are on track, you should raise all rates and fees as prescribed in the report. If you are not on track, again, just call Mr. Brown for advice.
12. Finally, some years into the future, probably around year five, it will be time to start this process all over again at Step 1.

An important part of the RATES program is the "training" piece. Rate analysis only goes so far. YOU must do the local lifting to adjust rates. To help you do that better Mr. Brown will conduct a series of rate setting workshops for Wyoming utility managers and decision-makers. By all means, attend if you can.

Now it's time to get with the Program. Call Carl Brown today to see if rate analysis is for you.