

They came, they saw, they learned (they even laughed)

That's right, they laughed. About what? Why? Advanced asset management and rate studies for water and sewer systems, of course! OK, here's what really happened.

In September and December 2005, the Kansas Rural Water Association sponsored six workshops around the state on advanced asset management and user charge analysis for water and sewer systems. (You'll get another chance.) About 150 managers and decision-makers as well as some operators attended. They learned how to make their systems run more reliably and cheaply. They also learned about setting their rates so their systems would be well funded.

Of course, they ate some donuts and cookies, drank some of

Bob Kirby's **strong** coffee and caught up with colleagues. They also laughed! It's hard not to laugh when you look at some of the things we all do with our assets and rates. Well, the role-plays had a little something to do with it, too.



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The learning part included these things.

Advanced asset management answers five questions:

1. What do I own, what is its condition and where is it?
2. What level of service do I want my system to provide?
3. What components are critical, how do they fail and what should I do about it?

4. What are my system configuration and operating alternatives?
5. For the system configuration and operating alternative I

A good user charge analysis:

1. Considers the desires and needs of the community's leaders and the operators of the system,

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have chosen, how much will it cost and what rates are needed to support this alternative?

Well, that certainly was funny. What about user charge analysis?

2. Considers customers' volume usage, current rates, revenues, operating costs, repair and replacement schedule and costs, imminent capital improvement costs and how



Board and council members, administrators, clerks and operators took part in six Asset Management Training Seminars in September and December 2005. Sponsored by Kansas Rural Water Finance Authority and KRWA, the sessions included lecture presentation but also involved participants in group discussions such as shown above at the workshop at El Dorado.

they will be funded, reserves and where you desire them to be, and other financial criteria,

3. Considers when rates were last adjusted and how often you intend to adjust them in the future,
4. Considers how best to adjust rates now, if that is indicated, and over the long-haul, and very importantly,
5. Considers how best to “sell” a rate adjustment to the ratepayers.

Selling rate adjustments to ratepayers – now that is **real** funny! A long time ago you had someone try that just before they got voted out of office, didn't you?

Seriously, we need to manage our assets properly if we are to make it to 2020 in good shape. Asset management planning and execution is the way to do that. And, if our systems are to run in the “black” and have reserves to weather some financial storms that

will come (is it storming yet?), we need to analyze rates on a regular and frequent basis. Oh, and raise them.

There are tools and techniques now that can help us manage and

finance well. That is what these workshop goers learned about.

And, yes, they laughed some, too.

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KRWA Annual Conference can be a ‘Rate Setter’ for any system.

Sign up and plan to attend this pre - conference session on Tuesday, March 28

Advanced Rate Setting Strategies to Fix Your Finances – a pre-conference workshop

The workshops presented last fall were the first forays into rate analysis for many people. This pre-conference workshop will be presented at the 2006 KRWA Conference. It will reveal some deep and powerful strategies for those wanting to set their rates well. If you want your rates to be great, and if you want to chuckle a little bit, plan to attend this workshop.

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