



# City Commission Agenda Item

**Meeting Date:** July 5, 2023  
**From:** Randy Frazer, City Manager  
**Item:** Water Rate Analysis Proposal

**Purpose:** A Resolution authorizing the City of Arkansas City to enter into an agreement with GettingGreatRates, LLC, to provide water rate analysis services, for an amount not to exceed \$15,000.00. **(Voice Vote)**

**Background:**

The City of Arkansas Cities water rates are no longer keeping up with the cost to operate the water system. After an initial rate review with a Wichita based financial consultant, it was determined that the current structure of the water rate schedule is not meeting the needs of the system and the consultant didn't have the resources to do this kind of in-depth analysis.

After soliciting a Request for Proposal (RFP) for a water rate analysis, to identify a qualified consultant who demonstrates experience and implementation, two (2) proposals were received. Staff recommends the proposal submitted by Carl Brown, President of GettingGreatRates, LLC dba GettingGreatRates.com (GGF), as it describes the need, responsibilities, timing, investment, and other issues for rate analysis of the Arkansas City, Kansas water utility. As a member of the Kansas Rural Water Association (KRWA), the City of Arkansas City qualifies for the 25 percent Kansas RATE Program discount.

In this proposal, the following options are available for services, materials, and travel costs, when we request service(s), including the net fee after the KRWA membership RATES Program discount:

- **Service Package 1**, water rate analysis – full fee of \$14,785, less the Kansas RATES Program discount of \$3,696 yields a **net fee of \$11,089.**
- **Service Package 2**, on-site visits – \$1,842, less the Kansas RATES Program discount of \$460 yields a **net fee of \$1,381 per visit.**
- **Service Package 3**, hourly rate for anything not included in Service Packages 1 or 2 – \$176.02, less the Kansas RATES Program discount of \$44.00 yields a **net fee of \$132.01 per hour.**

To adequately fund operation of our utility, build and maintain reserves, fund capital improvements and related debt service, and establish rates that are fairly structured for ratepayers, we need to have our rates and fees analyzed, so we can set them appropriately and periodically reset them in the future on your own. The proposed analysis work for this project would be performed by consultant Carl Brown of GettingGreatRates.com, who has been doing rate analysis since 1993.

**Fiscal Impact:**

Amount: **Not to exceed \$15,000**

Fund: **16 – Water** Department: **201 – City Commission** Expense Code: **6214 – Other Professional Services**

Included in budget       Bonds       Other Not Budgeted

**Approved for Agenda by:**

Randy Frazer, City Manager