

**NCAWWA-WEA**  
**Rate Setting 101 Seminar**  
**Selling Rate Increases**  
**May 9, 2012**

- I. Challenges of Selling a Rate Increase to a Board and the Public
  - a. Here We Go Again
  - b. Less Equals More
  - c. Now You See It, Now You Don't
- II. It Starts Way Before the Sale
  - a. Rehabilitation, Operations and Expansion
  - b. Develop a Multi-year Plan
  - c. Involvement of Board
    - i. Relationship with Board
    - ii. Stability of Board
    - iii. Strategic Planning
    - iv. Workshops
  - d. Customer Focus Groups
  - e. News Media
- III. Cost of Service
  - a. Cost assigned to Class of Customer
  - b. Actual Cost Sharing Allocation
- IV. Financial Considerations
  - a. Cash Reserve Policy
  - b. Rate Stabilization Fund
  - c. Bond Rating
  - d. Debt Service Coverage