



RATE ADVISORY COMMITTEE

COMMITTEE CHARTER DOCUMENT

PURPOSE

This is the charter for the Rate Advisory Committee (RAC) for the District's 2017 Rate/Affordability Study. The RAC is a special committee, appointed by the District's Board of Commissioners, to advise the Board regarding the findings of the rate study process and evaluation of affordability of the District's water rates.

The RAC shall:

- Discuss affordability of water rates in the face of future rate increases.
- Assist the District in defining criteria for affordability.
- Serve as a sounding board for the project team working on the study.
- Explore and seek positive outcomes, drawing on the experience of all committee members.
- Report in an advisory capacity to District Board of Commissioners.

The RAC is a limited duration committee that will focus on the issues raised during the rate study. It's charge is separate from the responsibilities of the District's citizens Budget Committee, which remains responsible for reviewing the District's budget and capital improvements plan.

MEMBERSHIP

The RAC consists of 15 individuals, representing various District stakeholders. RAC members have been appointed by the TVWD Board, with consideration of a wide variety of membership selection criteria, including representation from residential, business, industry, social services, non-profit, government and institutional customers. Other criteria include gender, age and cultural diversity. For a list of membership criteria and the appointed RAC Members and their affiliations, see the Appendix.

The RAC will have no chairperson, as the committee will work with a professional facilitator to develop group consensus recommendations during the rate study review process. At the conclusion of the study, the RAC will select from their membership two individuals who will provide the RAC recommendations to the Board at the January 2017 monthly Board meeting.

TVWD BOARD PARTICIPATION

The TVWD Board of Commissioners have assigned two members to serve as RAC liaisons. These Board members are Commissioners Richard Burke and Jim Doane. Both will attend RAC meetings to observe, answer questions and provide input as needed. The Commissioner liaisons are not voting members of the RAC.

MEMBERSHIP EXPECTATIONS

- Members shall regularly attend meetings as much as possible. When members cannot attend, they shall inform Alex Cousins, TVWD's RAC point of contact (alex.cousins@tvwd.org or 503-848-3012).
- Members shall arrive at the meetings on time and be prepared to engage in the scheduled work of the committee.
- If applicable, members shall inform their constituencies or other associates of the RAC's work and will relay any comments back to the committee as needed.
- Members shall choose two representatives from among the RAC membership to provide the committee's final recommendations to the TVWD Board.

SUPPORT TO THE RAC

TVWD staff and the consultant team will provide support to the RAC with its activities, such as:

- Meetings conducted by a professional facilitator
- Technical research and informational reports
- Preparation and distribution of meeting agendas and handouts
- Coordination of facilities
- Regular and timely meeting notifications to RAC members, TVWD staff, Board members and the public
- Consultant and/or staff presentations at meetings as necessary
- Refreshments and food available at each meeting
- Preparation and distribution of meeting notes/summaries

COMMITTEE CHARGE

Committee members will review the consultant's findings, conclusions, and recommendations on the following topics:

1. **Affordability and Rate Design** – Using information provided by the District's consultant, the RAC will consider the following questions regarding water rate design and affordability:
 - a. Should the District address affordability within its rate structure?
 - b. If the District addresses affordability, what are the options for doing so?
 - c. What are the other policy considerations (e.g., who will qualify individuals for affordability programs, how will lost revenue be recovered)?
2. **Common Service Consolidation** – The District charges non single-family residential customers for water use using the District's excess-use rate structure where a higher block rate is charged for water exceeding 140% of the average annual consumption for the account. A proposal has been made to have the District's non-residential customers' consumption aggregated, which would have the effect of lowering the customers' total water bill. The RAC will consider this proposal.
3. **Duplex Billing** – Currently, the District follows the definition of single-family residential customers within the American Water Works Association (AWWA) M1 Manual that

includes duplexes as single-family customers. As such, the District bills duplexes as it does single-family residential customers, using a block rate structure with 2 blocks. A proposal has been made to bill duplex customers in the same manner as the District does with multifamily residential customers. The RAC will consider this proposal.

4. **Hydrant Meter Calculations** – The RAC will review and make recommendations on ways in which the District can meter and recover costs for temporary, non-emergency use of water through a fire hydrant. This review may include recommendations for the associated deposits, fees, and flow charges.
5. **Multi-year Rates** – In anticipation of the District’s future revenue requirements, the Board will consider the adoption of multiple years of rate revenue adjustments. The RAC will review this long-term rate strategy and make a recommendation to the Board.



MEETING SCHEDULE

The RAC will meet for approximately two hours at a time, on Wednesday evenings, once a month from August 2016 to December 2016. The table below presents the anticipated RAC schedule of meetings and topics to be considered.

| Date ¹ | Milestone/Deliverable | Notes/Descriptions |
|---------------------|---------------------------------|--|
| Wed., July 20, 2016 | Board to appoint RAC | Regular Board meeting |
| Wed., Aug. 10, 2016 | RAC meeting 1 | Initial meeting; overview of RAC charter, District, policy issues for consideration, and approach for considering policy issues |
| Wed., Sep. 14, 2016 | RAC meeting 2 | Background and detailed discussion on affordability |
| Wed., Oct. 5, 2016 | RAC meeting 3 | Continue affordability; begin hydrant fees and multi-year rate adjustments |
| Wed., Nov. 2, 2016 | RAC meeting 4 | Finalize affordability, hydrant fees, and multi-year rate adjustments; introduce common service consolidation and duplex billing |
| Wed., Dec. 7, 2016 | RAC meeting 5 | Finalize common service consolidation, duplex billing, and any remaining issues |
| Wed., Jan. 18, 2017 | RAC recommendation to the Board | Regular Board meeting |

¹ Tentative dates subject to change.

APPENDIX

RATE ADVISORY COMMITTEE SELECTION CRITERIA

- Ability to work cooperatively and productively with a committee of diverse interests.
- Ability to comprehend and analyze technical information and use that information to make sound recommendations (however, a background in finance is not required).
- Ability to represent and/or understand a variety of perspectives related to a project or issue.
- Have strong communication skills.
- Understand TVWD’s role as a service provider within Washington County.
- Be willing to share accurate information with other RAC members and the community.
- Geographic diversity within TVWD boundaries is desired.
- Diversity in cultural background, age and gender is also desired.

RATE ADVISORY COMMITTEE MEMBERS

| NAME | AFFILIATION |
|------------------|---|
| Jessica Adams | Community Action |
| Gary Burns | Residential customer (Beaverton) |
| Chrissy Erguiza | Residential customer (Cedar Mill) |
| Sandy Galaway | Residential customer (Aloha) |
| Keith Hobson | Tualatin Hills Park & Recreation District |
| Craig Hopkins | Residential customer (Metzger) |
| Jordan Luevano | Reser’s Fine Foods |
| Randy Mifflin | Washington County Disability, Aging & Veterans Services |
| Laura Mitchell | Heritage Village Mobile Home Park |
| Mark Poling | Residential customer (Bethany), Clean Water Services |
| Al Schmitt | Holy Trinity Church |
| Kim Schoenfelder | KG Investment Properties |
| Jessica Stanton | Residential customer (Cedar Mill) |
| Pam Treece | Westside Economic Alliance |
| Amy Way | Residential customer (Tanasbourne) |