

# Tualatin Valley Water District



Delivering the Best Water Service Value

## Water Rate Advisory Committee

### Meeting # 1; August 10, 2016

The Tualatin Valley Water District (TVWD) Rate Advisory Committee (RAC) Meeting #1 was called to order at 6:00 p.m. RAC members were provided a light supper prior to the start of the meeting.

#### Attendees -

##### *Rate Advisory Committee*

- |   |  |  |
|---|--|--|
| <input checked="" type="checkbox"/> Jessica Adams   | <input checked="" type="checkbox"/> Gary Burns                     | <input checked="" type="checkbox"/> Chrissy Erguiza  |
| <input checked="" type="checkbox"/> Sandy Galaway   | <input checked="" type="checkbox"/> Seth Reeser (for Keith Hobson) | <input checked="" type="checkbox"/> Craig Hopkins    |
| <input type="checkbox"/> Jordan Luevano             | <input checked="" type="checkbox"/> Randy Mifflin                  | <input checked="" type="checkbox"/> Laura Mitchell   |
| <input type="checkbox"/> Mark Poling                | <input type="checkbox"/> Al Schmitt                                | <input checked="" type="checkbox"/> Kim Schoenfelder |
| <input checked="" type="checkbox"/> Jessica Stanton | <input checked="" type="checkbox"/> Pam Treece                     | <input type="checkbox"/> Amy Way                     |

##### *TVWD Board of Commissioners (RAC Liaisons)*

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Richard Burke | <input checked="" type="checkbox"/> Jim Doane, P.E. |
|---|---|

##### *TVWD Staff*

- |  |  |  |
|--|--|--|
| <input checked="" type="checkbox"/> Paul Matthews      | <input checked="" type="checkbox"/> Joe Healy  | <input checked="" type="checkbox"/> Alex Cousins     |
| <input checked="" type="checkbox"/> Mark Knudson, P.E. | <input checked="" type="checkbox"/> Tod Burton | <input checked="" type="checkbox"/> Andrew Carlstrom |

##### *HDR Engineering*

- |   |   |   |
|---|---|---|
| <input checked="" type="checkbox"/> Tom Gould | <input checked="" type="checkbox"/> Shawn Koorn | <input checked="" type="checkbox"/> Doug Zenn |
|---|---|---|

#### ■ Welcome

Mark Knudson thanked the members of the RAC for their participation and willingness to serve as advisors to the Board of Commissioners and provide input on the specific rate issues being reviewed by the Board.

Commissioners Burke and Doane then welcomed the group and thanked them for participating and providing input on the key rate issues facing the District.

Paul Matthews introduced District staff and HDR staff in attendance and provided a brief overview of the key issues the RAC will be asked to review.

#### ■ Group Introductions

RAC members introduced themselves and a sign-in sheet was passed around for attendance.

#### ■ Objectives/Goals of the Rate Advisory Committee

HDR presentend the goals, objectives, and role of the RAC. Each RAC member was provided a notebook which included the committee charter, schedule, RAC expectations, and the

presentations for the first meeting. The group agreed that the next meeting will be on September 14<sup>th</sup>.

## ■ Overview of TVWD & Key RAC Issues

Mr. Knudson provided an overview of TVWD and the key RAC issues. This included:

- An overview of the District's service area and various demographics and statistics.
- A summary of the capital improvement plan.
- Overview of the Willamette Water Supply Program.

RAC Questions included:

- Population growth – how is the District's service area defined; is the service area assumed to change over time? Answer – yes, there are certain assumptions built into that. TVWD has durable boundaries with Tigard and Hillsboro, but not Beaverton. TVWD is working with Beaverton to address this.
- Is the WWSP a done deal? Answer – Yes. Staff continues to move the project forward. Permitting is still required including one major permit from the Army Corp of Engineers, but that is in process and should be obtained in a year or so.

Mr. Matthews talked about the 30-year financial plan and how the capital improvements projects will be funded. He described why the planned capital investments makes the discussion of affordability so important.

RAC question:

- Total capital costs (slide 25) – does that include the reimbursement from the City of Hillsboro? Answer – The slide shows TVWD's share of the capital costs. Mr. Matthews noted that TVWD wants to partner with other agencies to reduce the costs for everyone.

Mr. Matthews then talked about the other RAC issues to be reviewed during the course of the rate study:

- Common Service Consolidation
- Duplex Billing
- Hydrant Metering
- Multi-Year Rates

## ■ Overview of the Charter

The HDR facilitator (Doug Zenn) briefly reviewed the RAC charter.

RAC Questions included:

- Are these public meetings? – Answer – Yes, open to anyone and listed on the website and a part of the District calendar.
- Will there be time to accept public comment? Answer – There may be. We would seek to accommodate that on the agenda if members of the public showed up and wanted to address the RAC.

#### ■ Key Issues

Shawn Koorn reviewed the five key issues for the RAC and schedule of the next meeting topics. Mr. Koorn explained the process for reviewing each topic (issue). The process included the preparation of whitepapers on the specific issues being discussed.

RAC questions included:

- Do you have some plan (preconceived solution) in place that you are driving toward? Answer – No, the project team will merely outline the potential approaches and let the RAC help shape recommendations to the Board.
- Will the whitepapers include data and benchmarking? Answer – Yes – what other utilities do and how they have dealt with the particular issue will definitely be included.

Tom Gould introduced the affordability issue. He discussed definitions of “affordability” and the fact that affordability is not a new issue. The RAC will be asked to provide a recommendation on whether the District should do more to address affordability, and if so, how the District should address affordability.

RAC questions included:

- How do we determine how big of an issue this is within TVWD? Answer – The group will work through the information to determine if this is an issue that should be addressed and how to address it.
- What are the projected rate increases going to be? Answer – We will provide this information as we look into the overall project cost and how the project is funded based on the current TVWD rate adjustments.
- Will we be looking at a program for businesses as well? Answer – No, this will be focused on residential customers.
- How do the rate structures come into play? Answer – Depending on the approach recommended by the RAC, rates may be revised to reflect the recommendation.

- How will future rate adjustments be shared between the residential and commercial/industrial customers? This question requires more information and will be addressed at a future RAC meeting.

## ■ Closing

Alex Cousins asked for everyone's availability to move the September meeting to the 14<sup>th</sup>. That date worked for all but two people so the decision was made to move the RAC meeting to September 14.

RAC suggestion:

- Have coffee available for the next meeting.

Comments were then taken from each of the various participants to gain feedback related to this first meeting of the group. Everyone agreed that the RAC process was off to a good start. This meeting provided a solid foundation and while there is still hard work ahead for the group, everyone is interested in seeing where it leads. TVWD was commended for providing this forum and being so thoughtful about addressing a difficult and complex issue.

Meeting Adjourned.