



# Overview of the Rate Advisory Committee Process

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**Presented by:**

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# Introduction and Overview of the Presentation

- Overview of the Rate Advisory Committee (RAC)
- RAC Charter – Purpose and Charge
- Review of the Specific Policy Issues
- RAC Meetings, Topics and Key Issues
- Process Used to Develop the Final RAC Recommendations



# Overview of the Rate Advisory Committee

- TVWD Board formed the Rate Advisory Committee (RAC) to review specific rate-related issues as a part of the District's comprehensive 2017 rate study
  - RAC is comprised of thirteen (13) individuals
    - Represented various stakeholder interests
  - RAC included two Board members to serve as non-voting RAC liaisons
    - Commissioners Richard Burke and Jim Doane, PE

# RAC Charter – Purpose and Charge

- RAC Purpose:
  - 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.
  - Explore and seek positive outcomes, drawing on the experience of all committee members
  - Report in an advisory capacity to District Board of Commissioners
- RAC Charge: Develop Board policy recommendations on:
  1. Affordability and Rate Design
  2. Common Service Consolidation
  3. Duplex Billing
  4. Hydrant Meter Calculations
  5. Multi-Year Rates

# Overview of the Specific RAC Issues

1. Affordability and Rate Design
  - Should the District address affordability within its rate structure?
  - What are the District's options for addressing affordability?
  - What are the other policy considerations (e.g., who qualifies, how will the program be paid for, etc.)?
2. Common Service Consolidation
  - Should non-residential customers be allowed to aggregate consumption for multiple accounts when determining average annual consumption for rates?

# Overview of the Specific RAC Issues (continued)

## 3. Duplex Billing

- Should duplex customers with a shared (single) meter be billed in the same manner as a duplex with two-meters (i.e., using 12-month rolling average use)?

## 4. Hydrant Meter Calculations

- Review and make recommendations on ways in which the District can meter and recover costs for non-emergency hydrant use (e.g. construction use).

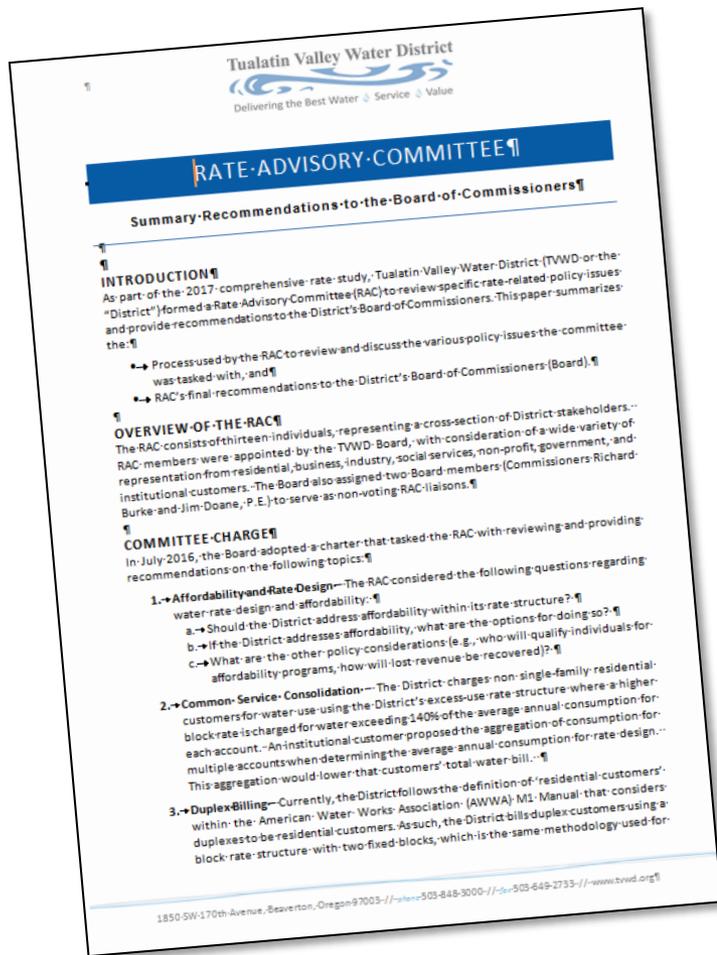
## 5. Multi-Year Rates

- Should the Board consider the adoption of a multi-year strategy for rate adjustments?

# Process Used to Develop Final RAC Recommendations

- Held five (5) meetings to discuss and review the issues
  - Reviewed the committee charge with the RAC
  - HDR developed detailed issue papers on each topic
  - HDR provided presentations to the RAC on water utility industry, and TVWD-specific, information related to each topic
  - Conducted surveys of the RAC to gauge individual member perspectives and viewpoints
- RAC discussed each issue to develop a final set of recommendations

# Summary of the RAC Process



- The RAC process was designed to address the Board's policy questions
  - RAC meetings were well attended and interactive
  - Meetings were productive and all viewpoints considered
- The RAC has developed a clear set of policy recommendations for the Board on the specific issues