



2022 Rate Advisory Committee

COMMITTEE CHARTER DOCUMENT

Purpose

The 2022 Rate Advisory Committee (RAC) is a special committee, appointed by the District's Board of Commissioners, to advise the Board regarding rate-related policy questions, which may influence the affordability of water for low-income customers.

The RAC will:

- Be briefed on the current TVWD Financial Plan and forecasted rate scenarios based on the inflationary pressures which emerged in 2021. The inflation is increasing construction and operational costs for the projects in the Willamette Water Supply System and the in-District Capital Improvement Program.
- Receive information on the recommendations from the 2016 RAC.
- Receive findings of the customer research and customer outreach efforts.
- Examine policy options for affordability of water bills for low-income customers.
- Assist the District in defining criteria for affordability.
- Explore and seek positive outcomes for customer assistance programming by using the experience of the committee members.
- Examine the District's current rate design and consider modifications of the rate design to reduce revenue volatility.
- Provide recommendations in an advisory capacity to the District's Board of Commissioners.

The RAC is a limited duration committee that will focus on the District's approach to customer affordability programs and rate design. The charge of the RAC is separate from the responsibilities of the District's citizens Budget Committee, which remains responsible for reviewing the District's budget and Capital Improvement Plan.

Membership

The 2022 RAC will consist of up to 21 appointed individuals, representing the diversity of the District's stakeholders. RAC members will be appointed by the TVWD Board, based on a wide variety of selection criteria, including representation from residential, business, industry, social services, non-profit agencies, government and institutional customers. Other criteria may include gender, age and cultural diversity. The membership criteria and a framework for the appointed RAC members and their affiliations is included in the Appendix to this charter.

The RAC will have no chairperson, as the committee will work with a professional facilitator to develop consensus recommendations during the RAC process. At the conclusion of the RAC process, the RAC may be asked to select from their membership two individuals who will provide the RAC recommendations to the Board of Commissioners.

TVWD Board Participation

The TVWD Board of Commissioners will assign two members to serve as Board Liaisons. The Board Liaisons will attempt to attend each RAC meeting to observe and demonstrate Board support. At times, the professional facilitator may request the Board Liaisons to answer questions and/or provide input. The Board Liaisons are not voting members of the RAC.

Membership Expectations

- Members regularly attend the meetings. When members are unable to attend, please inform Andrea Watson, TVWD's RAC point of contact at andrea.watson@tvwd.org or 503-848-3012.
- Members are prepared to engage in the scheduled work of the committee.
- If applicable, members share RAC information with, and seek feedback from, their constituencies and will relay any comments back to the committee, as needed.
- Two RAC members may be chosen from the RAC membership to provide the committee's final recommendations to the TVWD Board.

Support to the RAC

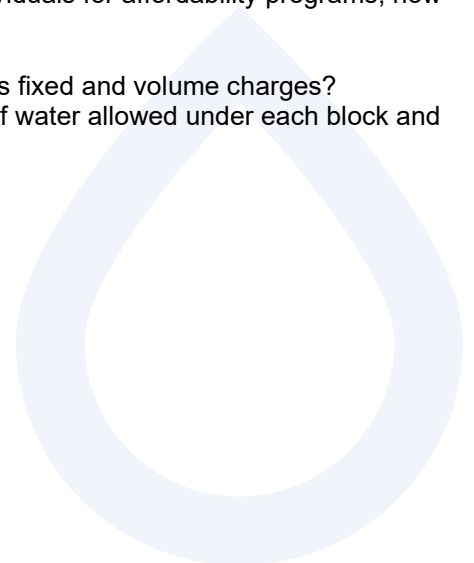
TVWD staff and the consultant team will provide support to the RAC with its activities, which may include:

- Professional facilitation
- Relevant data, technical research and informational reports
- Information from focus group with customers who may struggle to pay water utility bills/manage payment plans
- Customer survey data related to water rate design and customer bills
- Preparation and distribution of meeting agendas, handouts and notes/summaries
- Coordination of virtual meetings and facilities
- Regular and timely meeting notifications to RAC members, TVWD staff, Board members and the public

Committee Charge

Committee members will review the findings and recommendations from the 2016 RAC on the following topics:

1. Affordability and Rate Structure – Using information provided by the District's consultant, the RAC will consider the following questions regarding water rate structure and affordability:
 - a. Should the District address affordability within its rate structure?
 - b. If the District addresses affordability in its rate structure, what are the options for doing so?
 - c. What are the other policy considerations (e.g., who will qualify for the affordability rate structure, how will the lost revenue from the affordability rate structure be recovered)?
2. Affordability Programming
 - a. Should the District offer additional customer assistance programs, beyond the customer emergency assistance program to addresses affordability?
 - b. If so, 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 rates recover the costs associated with these programs)?
3. Rate Design
 - a. Should the District adjust the allocation of revenue received from its fixed and volume charges?
 - b. Should the District adjust its block rate structure (i.e., the amount of water allowed under each block and the relative differences in rates between the blocks)?



Proposed Rate Advisory Committee Timeline

The RAC will meet for approximately two hours at a time up to twice a month in the summer and fall. The table below presents the anticipated RAC schedule of meetings and topics to be considered.

Date	Milestone/Deliverable	Notes/Descriptions
Wed., February 16, 2022	CEO Announcement to Board	Regular Board meeting
March/April 2022	Seek feedback on RAC plan/scope	Board of Commissioners and Finance Committee meetings
April 2022	Consultant technical/facilitator selected Draft RAC Charter	
May 2022	Adopt RAC Charter	Regular Board meeting
July 2022	Board to appoint RAC members	
August 2022	RAC Meeting 1	Initial meeting; overview of RAC Charter and policies for review, review current District's Financial Plan and rate projections, review 2016 RAC Recommendations, policy issues for consideration, and approach for considering policy issues
September 2022	RAC Meeting 2	Technical briefing: Affordability rate structures and customer assistance programs
September 2022	RAC Meeting 3	Answer questions from RAC Meeting 2 Review Policy options Technical briefing: Fixed and Volume Rate Designs
October 2022	RAC Meeting 4	Answer questions from RAC Meeting 3 Review Policy options Prepare recommendations
November 2022	RAC Meeting 5 (if needed)	Review Policy options Prepare recommendations
December 21, 2022	RAC presents recommendations to the Board	Regular Board meeting

Appendix

Rate Advisory Committee Selection Criteria

- Ability to work cooperatively and productively with a committee of diverse interests.
- Ability to comprehend and use technical information and 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.
- Diversity in cultural background, age and gender.

2022 Rate Advisory Committee Members

NAME	AFFILIATION	REPRESENTING
		Customer Assistance Provider
		Customer Assistance Provider
		Culturally Specific Provider
		Culturally Specific Provider
		Business Organization or Chamber
		Business Organization or Chamber
		Customer Manufacturing
		Customer Property Manager/HOA/Multifamily
		Customer Property Manager/HOA/Multifamily
		Customer Residential Metzger – Southeast
		Customer Residential Aloha - Central
		Customer Residential Bethany - North
		Customer Residential Cooper Mountain - Southwest
		Partner City/County
		Partner Special District (THPRD)



RAC Charter Document Notes

NOTE	COMMENTER	DATE
Board of Commissioners Adopted Charter on May 18, 2022	Andrea Watson	5/18/22
Finance Committee Accepted Staff recommendation to appoint members in July 2022	Andrea Watson	5/27/22
Published RAC Recruitment Notice on TVWD Website	Andrea Watson	6/16/22

