

**MINUTES**  
**RATE ADVISORY COMMITTEE**  
**Tuesday, August 12, 2008**  
**9:30 A.M.**

**RAC Members Present:**

Keith Kindle  
Mike Harris  
Gill Coronado  
Liz Tullis  
Kathleen Estrada  
Ron Morales  
Allen Townsend  
Marcello Martinez

**RAC Members Absent:**

Rene Cortez  
Paul Foster  
Rachel Fuentes  
Steve Patmon  
Joe Soules

**Staff Present:**

Douglas Evanson, Senior Vice President/Chief Financial Officer  
Dan Crowley, Manager of Budget & Rates  
Stephen Turner, Forecasting Statistical Analyst  
Lou Lendman, Forecasting Statistical Analyst

Doug Evanson opened the meeting describing the purpose of the Rate Design Study, which is to provide SAWS with information regarding the rate structures for water delivery, water resource development, recycled water and wastewater operations. Doug also described the role of the RAC which is to provide input to the Board of Trustees on the Rate Study, to help prioritize the rate issues that the study should focus on, and to help select a qualified consultant to provide technical support to the study. He added that the major work of the committee will begin in January after the consultant has been selected and has had time to prepare information for the RAC's consideration during 2009.

Doug Evanson emphasized that the RAC's input will be essential to the Board of Trustees as it finalizes its recommendations to the City Council for rate structures that reflect community priorities. Doug thanked the members for participating in this critical process.

Mr. Coronado asked Doug Evanson for a copy of the report from the previous SAWS Rate Study conducted in 2003. A copy of this report is attached to these minutes. Dan Crowley stated that the Board was still considering adding additional members to the RAC. Also pending Board action is the selection of a chairperson for the RAC.

Each of the members present and staff present then introduced each other. Mr. Harris asked for a list of all members appointed along with descriptions of the groups each member represented. A copy of this list is attached to these minutes.

Dan Crowley then made a presentation providing more details on the Rate Study, the RAC's involvement, and the projected timeline for the Rate Study. A copy of this presentation is attached.

At the end of Dan's presentation, Lou Lendman described the process undertaken to date to select a consultant to provide technical support to the Rate Study. A request for proposals (RFP) was released in June 2008 (copy attached). Three firms responded in July – Black & Veatch, Raftelis Consulting and Red Oak Consulting. A staff technical evaluation committee, chaired by Dan Crowley, determined that all three proposal submitting firms were qualified, and the committee has recommended to the staff selection committee and the RAC subcommittee that all three firms be interviewed. The next step is for the staff selection committee and the RAC subcommittee to select which firms to interview and then to conduct the interviews. Following receipt of a joint recommendation from the staff selection committee and the RAC subcommittee, it is anticipated that the Board of Trustees will approve a contract with the selected firm in October 2008.

Following these comments, staff asked for volunteers from the members present to serve on a subcommittee to work with the staff selection committee. The following four RAC members volunteered:

- ◆ Kathie Estrada
- ◆ Keith Kindle
- ◆ Marcello Martinez
- ◆ Liz Tullis

A joint meeting will be scheduled next week with the RAC subcommittee and the staff selection committee to select which firms to interview, to establish format requirements for the interviews, and to set dates and times for the interviews.

Before adjourning the meeting, Mr. Kindle asked that as part of the RAC's deliberations the committee receive a status report on SAWS' infrastructure repair & replacement program. Dan Crowley stated that the RAC will receive a complete capital improvement program (CIP) status report as one of many orientation presentations the RAC will receive at the beginning of 2009 as it begins its more formal monthly meetings.

The meeting adjourned at approximately 10:40 A.M.

While included for reference in the handouts for members at the meeting, the attached document – Bylaws of the Rate Advisory Committee – was not discussed during the meeting. For the members' information, these bylaws were approved by the Board of Trustees on August 5, 2008. Please contact Lou Lendman if you have any questions about the Bylaws.