

## **Rate Advisory Committee Procedural Guidelines**

*(based on best practices outlined in the Manual of Water Supply Practices, M1, American Water Works Association)*

The Rate Advisory Committee (RAC) will primarily serve to advise the rate study project team (comprised of SAWS staff and the consultant, Rafetelis Financial Consultants, Inc.) on public concerns and perspectives regarding rate making issues. The RAC will operate under the following general guidelines and conditions:

- ◆ RAC members are appointed by the SAWS Board of Trustees and are selected to assure representation of a diversity of ratepayer groups. RAC members are asked to solicit the opinions of their various constituencies and articulate the positions of their memberships.
- ◆ RAC meetings will be open to the public and will include a period for general public comment (citizens to be heard).
- ◆ Members of the RAC will be encouraged not to hold “voting” positions or adopt recommendations under majority rule requirements. Rather, members will be urged to participate in discussions of rate making principles with the objective of developing consensus recommendations. In the event that consensus may not be achieved on specific issues, both majority and minority opinions will be considered by the project team and reported to the SAWS Board of Trustees.
- ◆ RAC discussions will review rate making options for rate structures to reflect, to the extent practicable, community values and concerns. The rate study project team will provide objective information on these rate making options to the RAC and solicit RAC recommendations. The project team will balance RAC recommendations with its fiduciary and management responsibilities in the selection of available rate making options. While RAC recommendations are not binding on either the rate study project team or the SAWS Board of Trustees, all RAC recommendations will be documented and communicated to the SAWS Board of Trustees for review and consideration.
- ◆ Project team decisions will be reported to the RAC once determined, but will not be subject to review during subsequent RAC meetings. Similarly, the RAC will not be asked to review or reconsider past utility decisions. Additionally, the RAC deliberations are not intended to duplicate existing SAWS budget practices or processes. The RAC may put in writing any unresolved concerns for transmittal to the Board of Trustees.
- ◆ Project team support of RAC deliberations and activities will be focused on provision of information necessary for consideration of outstanding rate making issues and decisions. The project team will provide information that is available from utility records that can be collected and distributed without extensive expenditures of staff time or budget resources.

The RAC will be discontinued once the rate study project is completed and the rate structure has been approved by the SAWS Board of Trustees and adopted by the San Antonio City Council.