

BOARD OF PUBLIC UTILITIES

July 7, 2020

The regular meeting of the Board of Public Utilities held on the 7th day of July, 2020, was called to order at 4:00 p.m. with CHAIRMAN CAMPBELL (TELEPHONICALLY) presiding and the following COMMISSIONERS present:

TELEPHONICALLY: COMMISSIONERS LeJEUNE, MOFFITT, SCHNEIDER AND McNEIL

Also Present in chambers and telephonically: SECRETARY SALLIS, CITY MANAGER DANIELS AND OTHER KEY STAFF

APPROVAL COMMISSIONER McNEIL MOVED, SECONDED BY COMMISSIONER  
AGENDA MOFFITT, to approve the agenda. Motion carried by the following roll call vote:

AYES: CHAIRMAN CAMPBELL, COMMISSIONERS LeJEUNE,  
MOFFITT, SCHNEIDER AND McNEIL  
NOES: NONE  
ABSENT: NONE

CORSPNDN: None

PBLC APRN: None

CONSENT COMMISSIONER McNEIL MOVED, SECONDED BY COMMISSIONER  
CALNDR LeJEUNE, to pull agenda item 2 (change order #1 with Stantec) and approve consent calendar items 1 and 3  
1. Approval of minutes of the regular meeting held June 2, 2020  
3. Abolish the 1MW Solar Development Project Ad-Hoc Committee and direct staff to scope and develop rooftop and/or parking structure solar panels on existing city owned property  
Motion carried by the following roll call vote:

AYES: CHAIRMAN CAMPBELL, COMMISSIONERS LeJEUNE,  
MOFFITT, SCHNEIDER AND McNEIL  
NOES: NONE  
ABSENT: NONE

CHG ORDER COMMISSIONER McNEIL asked for and was provided background information  
#1 WITH on the reason for change order #1 with Stantec Consulting Services which  
STANTEC included additional go-to-meetings and a 10 year projection for the California  
CONSULT Energy Commission (CEC) on solar requirements.

COMMISSIONER McNEIL MOVED, SECONDED BY COMMISSIONER LeJEUNE, to approve consent calendar item 2 approving change order #1 with Stantec Consulting Services to complete additional tasks on the comprehensive

electric, water and wastewater utility cost of service ratemaking study (additional cost not to exceed \$23,875). Motion carried by the following roll call vote:

AYES: CHAIRMAN CAMPBELL, COMMISSIONERS LeJEUNE,  
MOFFITT, SCHNEIDER AND McNEIL  
NOES: NONE  
ABSENT: NONE

REG ITEMS: Ben Stewart, Stantec Consulting Services, provided an extended explanation and review of a PowerPoint presentation on the proposed financial plans and rates for electric, water and wastewater which included discussion on operating reserves of UTILITY FINCL PLAN & RATES 10% annual operations & maintenance (1-1/2 months) OR 3 months and the corresponding applicable rates after which the Board took the following actions:

ELECTRIC RESERVES COMMISSIONER LeJEUNE MOVED, SECONDED BY COMMISSIONER MOFFITT, to adopt Electric Utility Rate Plan 2 – operating reserves of 3 months. Motion carried by the following roll call vote:

AYES: CHAIRMAN CAMPBELL, COMMISSIONERS LeJEUNE,  
MOFFITT, SCHNEIDER AND McNEIL  
NOES: NONE  
ABSENT: NONE

WATER RESERVES COMMISSIONER MOFFITT MOVED, SECONDED BY COMMISSIONER LeJEUNE, to adopt Water Utility Rate Plan 2 – operating reserves of 3 months. Motion carried by the following roll call vote:

AYES: CHAIRMAN CAMPBELL, COMMISSIONERS LeJEUNE,  
MOFFITT, SCHNEIDER AND McNEIL  
NOES: NONE  
ABSENT: NONE

WASTEWTR RESERVES COMMISSIONER McNEIL MOVED, SECONDED BY COMMISSIONER LeJEUNE, to adopt Wastewater Utility Rate Plan 2 – operating reserves of 3 months. Motion carried by the following roll call vote:

AYES: CHAIRMAN CAMPBELL, COMMISSIONERS LeJEUNE,  
MOFFITT, SCHNEIDER AND McNEIL  
NOES: NONE  
ABSENT: NONE

WW RATE DESIGN Mr. Stewart reviewed the proposed rate structures for wastewater which included: Rate Structure 1 – maintain ERU (equivalent residential unit) based rates – 100% fixed fee; Rate Structure 2 – ERU based fixed fee plus volumetric rate (high) – different residential and non-residential volumetric rates; 100% of collection expenses collected by volumetric rates; 50% of treatment expenses collected by volumetric rate; Rate Structure 3 – ERU based fixed fee plus volumetric rate (low) - different residential and non-residential volumetric rates; 5% of collection expenses collected by volumetric rates; 27% of treatment expenses collected by

volumetric rate; Rate Structure 4 – volumetric rate only – different residential and non-residential volumetric rates; 100% volumetric rate.

CHAIRMAN CAMPBELL reported that the Utility Rate Study Ad-Hoc Committee would like to see rate structures 1 and 3 move forwarded to the Needles Public Utility Authority (NPUA). It was felt that it's better to have more fixed than variable in the revenue stream.

COMMISSIONER MOFFITT understood the need to present two options but felt the least amount of affect on everyone would be rate structure 1 which appears to be the best option. COMMISSIONER McNEIL noted that the Covid-19 pandemic will have an affect on the schools until probably December or January and he wasn't sure if the loss of revenue was taken into consideration but agreed rate structure 1 was a good plan.

WW RATE  
STRUCT 1

After a review and discussion of the rate structure options as presented, COMMISSIONER MOFFITT MOVED, SECONDED BY COMMISSIONER LeJEUNE, to accept Wastewater Rate Structure 1 maintain ERU base rates, 100% fixed fee. Motion carried by the following roll call vote:

AYES: CHAIRMAN CAMPBELL, COMMISSIONERS LeJEUNE,  
MOFFITT, SCHNEIDER AND McNEIL  
NOES: NONE  
ABSENT: NONE

Mr. Stewart briefly outlined the next steps pending city council/NPUA concurrence. Looking to implement the new rates by November 1, 2020.

Acknowledging the prior individual actions taken relating to the financial plans and rates for electric, water and wastewater including operating reserves and selection of a rate structure for wastewater:

COMBINED  
ACTION

COMMISSIONER MOFFITT MOVED, SECONDED COMMISSIONER SCHNEIDER, to approve the proposed financial plans and rates for electric, water and wastewater to include an operating reserve of 3 months (rate plan 2); select rate structure 1 (maintain ERU base rates, 100% fixed fee) for wastewater; request Stantec Consulting Services provide the final report for acceptance; and request staff initiate the Prop 218 forty-five (45) day public comment period for the Needles Public Utility Authority to adopt rates for five (5) years. Motion carried by the following roll call vote:

AYES: CHAIRMAN CAMPBELL, COMMISSIONERS LeJEUNE,  
MOFFITT, SCHNEIDER AND McNEIL  
NOES: NONE  
ABSENT: NONE

REPORTS:

CHAIRMAN CAMPBELL acknowledged the following reports: 1) Western Area Power Administration group power purchase Q1 FY21 (October-December 2020); 2) Monthly activity report for April 2020

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MGR'S RPT: City Manager Daniels reported: 1) about ten day ago, a field employee tested positive for Covid-19 and is still out sick. There was reasonable exposure to the water and electric crews so all were tested and came back negative. One office employee tested positive and only have one counter employee so the office has been temporarily closed. Utility payments can be made by credit card which the fee has been waived or at the drop box; 2) an offer has been received from the Needles Marina to purchase a piece of property for \$250,000, however, the property is owned by the NPUA so proceeds will be going to the NPUA; 3) all parts have been received for the D Street overcrossing water line break and that work should be completed next week. Plan to remove the emergency proclamation at the July city council meeting.

BRD ROSTS: None

CHAIRMAN CAMPBELL declared the regular meeting of the Board of Public Utilities held on the 7th day of July, 2020, adjourned at 5:38 p.m.

ATTEST: \_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary