

BOARD OF PUBLIC UTILITIES

January 21, 2025

The regular meeting of the Board of Public Utilities held on the 21st day of January, 2025, was called to order at 4:00 p.m. with CHAIRMAN CAMPBELL presiding and the following COMMISSIONERS present:

COMMISSIONERS LeJEUNE, BROWN, CAIRNS AND POWELL

Also Present: SECRETARY SALLIS, CITY MANAGER MARTINEZ, UTILITY MANAGER TORRANCE AND OTHER KEY STAFF

EX ABSNC COMMISSIONER LeJEUNE MOVED, SECONDED BY COMMISSIONER BROWN, to grant an excused absence to COMMISSIONERS McNEIL AND SCHNEIDER. Motion carried by the following roll call vote:

AYES: CHAIRMAN CAMPBELL, COMMISSIONERS LeJEUNE,
BROWN, CAIRNS AND POWELL
NOES: NONE
ABSENT: COMMISSIONERS SCHNEIDER AND McNEIL

Deputy City Clerk Sallis administered the Oath of Office to new Board Member David Cairns and he was welcomed by the other Members.

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

AYES: CHAIRMAN CAMPBELL, COMMISSIONERS LeJEUNE,
BROWN, CAIRNS AND POWELL
NOES: NONE
ABSENT: COMMISSIONERS SCHNEIDER AND McNEIL

COMMISSIONER SCHNEIDER entered the meeting at 4:04 p.m.

CORSPNDN: None

PBLC APRN: None

CNST CAL: COMMISSIONER LeJEUNE requested to pull item 4 (authorize the City Manager to execute Amendment No. 3 to Contract No. 06-XX-30-W0452 between the City of Needles and Metropolitan Water District of Southern California for delivery of Lower Colorado Water Supply Project Water) and COMMISSIONER SCHNEIDER requested to pull item 3 (Power Purchase Cost Adjustment (PCA) for months of July through November 2024 and decrease the over-hydro rate from \$0.1538 to \$0.1338 with a reduction of .02 power cost adjustment effective as of February 1, 2025).

COMMISSIONER LeJEUNE MOVED, SECONDED BY COMMISSIONER BROWN, to pull consent calendar items 3 and 4 and approve consent calendar items 1 and 2.

1. Minutes of regular meeting held December 3, 2024
2. Authorize the City Manager to execute a Landis & Gyr Software as a Service Agreement providing for third-party hosted "software as a service" with respect to certain City information technology needs and related smart grid program

Motion to approve consent item 1 carried by the following roll call vote:

AYES: COMMISSIONERS SCHNEIDER, LeJEUNE, BROWN
AND POWELL
NOES: NONE
ABSENT: COMMISSIONER McNEIL
ABSTAIN: CHAIRMAN CAMPBELL AND COMMISSIONER CAIRNS

Motion to approve consent item 2 carried by the following roll call vote:

AYES: CHAIRMAN CAMPBELL, COMMISSIONERS SCHNEIDER,
LeJEUNE, BROWN, CAIRNS AND POWELL
NOES: NONE
ABSENT: COMMISSIONER McNEIL

PCA JULY
THRU NOV
& DECRS
OVR-HYDR
RATE

Utility Manager Torrance explained the power cost adjustment (PCA) status and balance of \$1,830,284 as of November. 20% of the over-hydro budget for current fiscal year is \$1,056,000 and she's proposing refunding 2¢ back by reducing the over-hydro and, with the lower rate, carrying it out over a longer period of time through September.

COMMISSIONER SCHNEIDER acknowledged that the policy calls for a higher reduction but we get highs and lows and always chasing the power cost. He agreed with the action of a 2¢ reduction in the over-hydro rate which will flatten out the oscillations.

After CHAIRMAN CAMPBELL provided brief background information on the PCA policy for the new members, a discussion followed on the balance and refunding over a period of time.

COMMISSIONER SCHNEIDER MOVED, SECONDED BY COMMISSIONER LeJEUNE, to accept the Power Purchase Cost Adjustment (PCA) for months of July through November 2024 and decrease the over-hydro rate from \$0.1538 to \$0.1338 with a reduction of .02 power cost adjustment effective as of February 1, 2025. Motion carried by the following roll call vote:

AYES: CHAIRMAN CAMPBELL, COMMISSIONERS SCHNEIDER,
LeJEUNE, BROWN, CAIRNS AND POWELL
NOES: NONE
ABSENT: COMMISSIONER McNEIL

LCWSP
AMNDMT

Utility Manager Torrance provided a brief update on the Lower Colorado Water Supply Project (LCWSP) noting that Metropolitan Water District (MWD) pays a substantial amount into a trust fund monthly which helps pay for improvements, etc. for the Project. This amendment will put the trust fund payments on hold so MWD does not have to pay at this time but they will continue to pay their annual fees. There is no financial impact on the city.

COMMISSIONER LeJEUNE MOVED, SECONDED BY COMMISSIONER BROWN, to authorize the City Manager to execute Amendment No. 3 to Contract No. 06-XX-30-W0452 between the City of Needles and Metropolitan Water District of Southern California for delivery of Lower Colorado Water Supply Project Water. Motion carried by the following roll call vote:

AYES: CHAIRMAN CAMPBELL, COMMISSIONERS SCHNEIDER,
LeJEUNE, BROWN, CAIRNS AND POWELL
NOES: NONE
ABSENT: COMMISSIONER McNEIL

REG ITEMS: COMMISSIONER BROWN MOVED, SECONDED BY COMMISSIONER SCHNEIDER, to nominate CHAIRMAN CAMPBELL as Chairman for the ensuing year of 2025. Motion carried by the following roll call vote:

CHAIR &
V CHAIR

AYES: CHAIRMAN CAMPBELL, COMMISSIONERS SCHNEIDER,
LeJEUNE, BROWN, CAIRNS AND POWELL
NOES: NONE
ABSENT: COMMISSIONER McNEIL

COMMISSIONER SCHNEIDER MOVED, SECONDED BY COMMISSIONER BROWN, to nominate COMMISSIONER LeJEUNE as Vice Chairman for the ensuing year of 2025. Motion carried by the following roll call vote:

AYES: CHAIRMAN CAMPBELL, COMMISSIONERS SCHNEIDER,
LeJEUNE, BROWN, CAIRNS AND POWELL
NOES: NONE
ABSENT: COMMISSIONER McNEIL

ELECT, WW
& WATER
TERMS &
CONDTNS

Utility Manager Torrance provided a PowerPoint presentation of the changes proposed to the electric, wastewater, and water terms and conditions.

COMMISSIONER SCHNEIDER noted that the security deposit is not a cost of service but security. Many ratepayers are on one form of assistance or another and the security deposit should be based on a 2 month average or something similar. \$150 seems steep. Nonresidential is also high and should be based on an average. He also spoke on non-registering meters explaining that with AMI smart meters, staff should catch a non-registering meter within 2-3 months. Smart meters should be red flagged for both the city and customer. Utility Manager Torrance explained that the deposit is an average bill and is what is currently

being charged. There are 10% of old meters still remaining as there have been issues and we are working on getting them changed out. Once AMI meters are 100%, staff can bring back a revision to the terms and conditions.

COMMISSIONER BROWN MOVED, SECONDED BY COMMISSIONER LeJEUNE, to adopt Resolution No. 1-21-25 BPU rescinding Chapter 6C, establishing terms and conditions for the sale of electric services, of the Needles Municipal Code in its entirety and adopting a new Chapter 6C, Electric Services, regarding the terms and conditions for the sale of electric services; Resolution No. 1-21-25-1 BPU rescinding Chapter 17, Wastewater Collection and Treatment Services, of the Needles Municipal Code in its entirety and adopting a new Chapter 17, Wastewater Collection and Treatment Services, regarding the terms and conditions for the sale of wastewater services; and Resolution No. 1-21-25-2 BPU rescinding Chapter 22, Water, of the Needles Municipal Code in its entirety and adopting a new Chapter 22, Water Services, regarding the terms and conditions for the sale of water services. Motion carried by the following roll call vote:

AYES: CHAIRMAN CAMPBELL, COMMISSIONERS SCHNEIDER, LeJEUNE, BROWN, CAIRNS AND POWELL
NOES: NONE
ABSENT: COMMISSIONER McNEIL

REPORTS: CHAIRMAN CAMPBELL acknowledged the following reports: 1) EUSI, LLC operational support services relating to the wastewater treatment facility and collection system November and December 2024; 2) Monthly Activity Report November 2024; and 3) Present Perfected Rights Report December 2024

MGR'S RPT: Utility Manager Torrance reported on: 1) the schedule for the treatment plant and finishing up final testing and training with ribbon cutting early March; 2) recent excessive winds and no outages to report; 3) rate study continues; and 4) fire today on Third Street, all fire hydrants worked and no electric infrastructure involved.

City Manager Martinez acknowledged his weekly reports in the packet and upcoming events.

BRD RQSTS: COMMISSIONER SCHNEIDER referenced the current rate study explaining that he was looking at his water bill and cubic feet are used on the bills. He questioned if it would be feasible to switch to gallons which would make more sense on water usage.

CHAIRMAN CAMPBELL declared the regular meeting of the Board of Public Utilities held on the 21st day of January, 2025, adjourned at 4:45 p.m.

ATTEST: _____

Chairman

Secretary