

BOARD OF PUBLIC UTILITIES

February 6, 2024

The regular meeting of the Board of Public Utilities held on the 6th day of February, 2024, was called to order at 4:00 p.m. with CHAIRMAN CAMPBELL presiding and the following COMMISSIONERS present:

COMMISSIONERS LeJEUNE, MOFFITT AND McNEIL

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

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

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

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 AND McNEIL
NOES: NONE
ABSENT: COMMISSIONERS BROWN AND SCHNEIDER

CORSPNDN: None

PBLC APRN: None

CNST CAL: COMMISSIONER MOFFITT MOVED, SECONDED BY COMMISSIONER McNEIL, to TABLE agenda item 1, minutes of adjourned regular meeting held January 16, 2024, and approve consent calendar items 2 through 4

2. Resolution 2-6-24 BPU authorizing an increase in the purchase/set-up fee for electrical onsite materials from \$50,000 to \$90,000
3. Approval of New Exhibit to 2007 Lower Colorado Basin Intentionally Created Surplus ("ICS") Forbearance Agreement adding Wellton-Mohawk Irrigation & Drainage District
4. Resolution No. 2-6-24-1 BPU certifying the Sewer System Management Plan dated January 2024

Motion carried by the following roll call vote:

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

REG ITEMS: Utility Manager Torrance explained the agreement dated August 10, 2020 with 3Degrees Group Inc., effective through March 15, 2032, for the purchase of renewable energy certificates (RECs). This relates to the California Energy Commission's renewable portfolio standard (RPS) and compliance period true-up but the regulations changed and now have to have a long term contract. Staff reached out to several vendors but Needles was not appealing to them so now locking in a long term agreement with 3Degrees Group who has presented a ten year contract with 50,000 allowances per year. She spoke on purchase of RECs, how it's done, and cost which will be included in future budgets. Discussion followed on the agreement with 3Degrees and understanding its purpose.

CHAIRMAN CAMPBELL spoke on the cannabis grow operations possibly qualifying for RECs and has asked Utility Manager Torrance to explore that. He also felt the rate study/policy needs to explore RECS and consider a cost analysis of RECs compared to the utility starting its own solar thus creating its own RECs.

Utility Manager Torrance noted that some of the delivery dates in the agreement may change when it goes to the city council but the overall terms will not.

COMMISSIONER MOFFITT MOVED, SECONDED BY COMMISSIONER LeJEUNE, to authorize the city manager to execute the agreement dated August 10, 2020 with 3Degrees Group, Inc. through March 15, 2032 for the purchase of Renewable Energy Certificates "RECs". Motion carried by the following roll call vote:

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

REPORTS: CHAIRMAN CAMPBELL acknowledged the following reports: 1) Present Perfected Rights Report December 2023; 2) Monthly Activity Report October 2023; 3) Alternative Energy Ad Hoc Committee Update; 4) EUSI, LLC operational support services relating to the wastewater treatment facility and collection system for December 2023; 5) Upper Zone Reservoir Siting Study Update.

MGR'S RPT: Utility Manager Torrance acknowledged the weekly manager's report for 1-26-24 and reported: 1) an underground vault elbow caught fire and burned the rack which caused a power outage in specific areas - a photo of the damage was provided at the meeting; 2) wastewater personnel found a blockage on Front Street after receiving a resident complaint on 'L' Street. Sy Foley, wastewater employee, described the huge grease ball pulled out that covered the entire 10" line inside the manhole at Front and 'K' Street - a photo was provided. His best

February 6, 2024

Page 3

guess is that the grease ball came from the west end of town. Utility Manager Torrance commented that staff will restart the campaign to not put grease down the sewer.

BRD RQSTS: COMMISSIONER MOFFITT noted there are three cannabis growers in arrears and inquired as to if it is for back taxes or utilities. Utility Manager Torrance responded there are no arrears that involve the Needles Public Utility Authority, only the city side.

COMMISSIONER McNEIL is impressed with the city crews and how quickly they are to respond during an incident and with this Board and how they promote the city. The solar evaluation/feasibility study is terrific and he looks forward to seeing the responses.

CHAIRMAN CAMPBELL declared the regular meeting of the Board of Public Utilities held on the 6th day of February, 2024, adjourned at 4:34 p.m.

ATTEST: _____
Chairman

Secretary