

BOARD OF PUBLIC UTILITIES

September 2, 2025

The regular meeting of the Board of Public Utilities held on the 2nd day of September, 2025, was called to order at 4:00 p.m. with CHAIRMAN CAMPBELL presiding and the following COMMISSIONERS present:

COMMISSIONERS JONES, WALTERS, McNEIL AND CAIRNS

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

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

AYES: CHAIRMAN CAMPBELL, COMMISSIONERS JONES,
WALTERS, McNEIL AND CAIRNS
NOES: NONE
ABSENT: COMMISSIONERS BROWN AND POWELL

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

AYES: CHAIRMAN CAMPBELL, COMMISSIONERS JONES,
WALTERS, McNEIL AND CAIRNS
NOES: NONE
ABSENT: COMMISSIONERS BROWN AND POWELL

CORSPNDN: None

PBLC APRN: None

CNST CAL: COMMISSIONER JONES requested to pull agenda item #3 (Accept the Comprehensive Water and Wastewater Cost of Service Ratemaking Study dated August 2025).

CHAIRMAN CAMPBELL MOVED, SECONDED BY COMMISSIONER CAIRNS, to pull agenda item #3 and approve consent calendar agenda items 1, 2 and 4.

1. Approve the minutes of the regular meeting held August 5, 2025
2. Accept the proposal of and authorize Lincus Incorporated to complete the 2025-2027 AB 32 Greenhouse Gas (GHG) Third Party Verification Services for a total cost not to exceed \$26,014
4. Accept the Comprehensive Electric Service Ratemaking Study dated August 2025

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

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

Motion to approve agenda items 2 and 4 carried by the following roll call vote:

AYES: CHAIRMAN CAMPBELL, COMMISSIONERS JONES,
WALTERS, McNEIL AND CAIRNS
NOES: NONE
ABSENT: COMMISSIONERS BROWN AND POWELL

WTR & WW Utility Manager Torrance noted this is the final of the Comprehensive Water and
RATE STDY Wastewater Cost of Service Ratemaking Study and is based on the presentation
made at the last Board meeting. The intent is to make the utilities solvent
including all operations & maintenance expenses, debt service, and capital
improvements. The consultant is recommending a 3% increase in water and 6%
in wastewater, and staff is recommending the Board accept the Study and forward
to the City Council to start the Prop 218 process.

COMMISSIONER JONES noted that wastewater is proposed for a 6% rate
increase through 2029 and questioned if there was any way to not do that 6%
increase. Utility Manager Torrance responded that a rate plan is adopted every
five years but in October of each year, rates are reviewed and can be adjusted.
COMMISSIONER McNEIL agreed that rates are strategically looked at each year
and the Board is happy to pass any windfall to the ratepayers.

CHAIRMAN CAMPBELL gave a history of the rate studies done in the past and
now catching up to make wastewater solvent.

COMMISSIONER CAIRNS MOVED, SECONDED BY COMMISSIONER
JONES, to accept the Comprehensive Water and Wastewater Cost of Service
Ratemaking Study dated August 2025. Motion carried by the following roll call
vote:

AYES: CHAIRMAN CAMPBELL, COMMISSIONERS JONES,
WALTERS, McNEIL AND CAIRNS
NOES: NONE
ABSENT: COMMISSIONERS BROWN AND POWELL

REG ITEMS: Utility Manager Torrance referenced the water, wastewater and electric rate
studies just accepted and leaving the electric rate structure status-quo (single rate
ELECTRIC structure). She went over highlights of a spreadsheet she prepared and
COLA INCR distributed at this meeting and spoke on electric line losses, purchasing more
power than consuming, and annual hydropower increase due to market prices.

Discussion followed on the new rates compared to the current rates, how they are calculated, and comparison with other electric utilities. City Manager Martinez commended Utility Manager Torrance for the work she's done and the strategic planning to keep rates as low as possible.

COMMISSIONER McNEIL MOVED, SECONDED BY COMMISSIONER CAIRNS, to approve a 2.7% cost-of-living (COLA) increase in electric basic service charge rate as of October 1, 2025; approve an over-hydro rate of \$0.1159 effective October 1, 2025; eliminate the \$.0300 Power Cost Adjustment and approve the methodology to calculate the annual electric base rate and the power cost adjustment rate based on the rate calculation spreadsheets. Motion carried by the following roll call vote:

AYES: CHAIRMAN CAMPBELL, COMMISSIONERS JONES,
WALTERS, McNEIL AND CAIRNS
NOES: NONE
ABSENT: COMMISSIONERS BROWN AND POWELL

Rates as of October 1, 2025:

	<u>Current</u>	<u>Effective Oct 1, 2025</u>
Basic Service Charge	\$36.22	\$37.20
Winter Hydro (Oct – Feb)	\$.0818 – 401 kwh allotment	\$.0923 – 376 kwh
Summer Hydro (Mar – Sept)	\$.0704 – 754 kwh allotment	\$.0832 – 707 kwh
Over-hydro	**\$0.1423	*\$0.1159
CA Energy Efficiency Program	\$0.0025	\$0.0022
Utility Users Tax (UT)	2.5% on all of the above	2.5% on all of the above

As of July 2025, the Power Cost Adjustment has a positive balance of \$889,349. Proposed rates eliminate the additional \$.0300 Power Cost Adjustment.

(Secretary's Note: The revised statement of policies adopted increased the power cost adjustment (PCA) balance from \$750,000 to be twenty percent (20%) of the yearly over-hydro budgeted power costs for the fiscal year (annual budget or revised budget as applicable).

EPA LTR RE After a brief discussion on the history of the Greenhouse Gas Emission Rule
REVOKE of 2009 and the financial impacts on local governments, COMMISSIONER
GHG EMSN McNEIL MOVED, SECONDED BY COMMISSIONER WALTERS, to
RULE authorize the Board Chairman to execute a letter dated September 2, 2025, to the Environmental Protection Agency (EPA) supporting the revoking of the Greenhouse Gas Emission Rule. Motion carried by the following roll call vote:

AYES: CHAIRMAN CAMPBELL, COMMISSIONERS JONES,
WALTERS, McNEIL AND CAIRNS
NOES: NONE
ABSENT: COMMISSIONERS BROWN AND POWELL

ELECTRIC Utility Manager Torrance explained that she and the Electric Line Crew Supervisor have set goals for the electric which started with the meter change-out. The
SCADA
SOFTWARE next is SCADA (supervisory control and data acquisition). The water department has SCADA on all wells, tanks and booster stations in order to monitor activity and it needs to be added to the electric system, including the two primary substations, Eagle Pass and Yoney. She explained all the capabilities that are available with SCADA and the benefit to the electric department and assistance to the crews. Discussion ensued on the proposal submitted, cost and what will be included, and safety and security of the electric crews.

COMMISSIONER CAIRNS MOVED, SECONDED BY COMMISSIONER WALTERS, to approve Survalent providing Electric SCADA Software not to exceed \$137,126 utilizing the Electric System Improvement Fund. Motion carried by the following roll call vote:

AYES: CHAIRMAN CAMPBELL, COMMISSIONERS JONES,
WALTERS, McNEIL AND CAIRNS
NOES: NONE
ABSENT: COMMISSIONERS BROWN AND POWELL

REPORTS: CHAIRMAN CAMPBELL acknowledged the following reports: 1) Western Area Power Administration FY26 Q2 Term Purchase; 2) Present Perfected Rights Report July 2025; and 3) EUSI, LLC operational support services relating to the wastewater treatment facility and collection system July 2025

MGR'S RPT: Utility Manager Torrance provided a written report dated September 2, 2025 briefly explaining: 1) discovered tampering with a sewer manhole lid and ring behind the hospital and removal of approx. 500 pounds of rock from inside the 26' deep manhole. Manhole is now properly secured; 2) power outage at 900 Coronado on August 22; 3) water dept repaired 8 water leaks in August; 4) water treatment plant has been operational for over a month and producing 1.6 million gallons of treated drinking water per day. Will be doing annual routine maintenance on well #11 and #15; and 5) electric dept steel building on California Ave should be completed this month.

BRD RQSTS: COMMISSIONER JONES referenced a newspaper article about a cannabis business being shut down as they were delinquent in utilities. He asked what the policy is before shutting off utilities and what's the customer responsibility and utility responsibility. City Manager Martinez explained the adopted terms and conditions for electric service to ultimately being shut off for nonpayment.

CHAIRMAN CAMPBELL declared the regular meeting of the Board of Public Utilities held on the 2nd day of September, 2025, adjourned at 4:57 p.m.

ATTEST: _____

Chairman

Secretary