

BOARD OF PUBLIC UTILITIES

September 3, 2024

The adjourned regular meeting of the Board of Public Utilities held on the 3rd day of September, 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, CITY MANAGER MARTINEZ, UTILITY MANAGER TORRANCE AND OTHER KEY STAFF

EX ABSNC COMMISSIONER McNEIL MOVED, SECONDED BY COMMISSIONER LeJEUNE, 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 McNEIL MOVED, SECONDED BY COMMISSIONER MOFFITT, approve consent calendar items 1 through 4.

1. Minutes of regular meeting held May 21, 2024
2. Minutes of adjourned regular meeting held July 2, 2024
3. Accept the AB32 Greenhouse Gas (GHG) Emissions Verification Report 2023 Emissions prepared by WZI Inc.
4. Authorize the purchase of a Digger Derrick Model TLL-300D electric bucket truck from LineWise at a cost not to exceed \$33,500 using Electric Asset Replacement Funds

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

AYES: CHAIRMAN CAMPBELL, COMMISSIONERS MOFFITT
AND McNEIL

NOES: NONE
ABSENT: COMMISSIONERS BROWN AND SCHNEIDER
ABSTAIN: COMMISSIONER LeJEUNE

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

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

Motion to approve items 3 and 4 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 provided a PowerPoint presentation on the cost-of-living (COLA) increase in water, wastewater, and electric (next agenda item) and how the rates are determined. She reminded the Board that the city cannot collect revenue beyond that needed to provide services and noted that the current 2.8% COLA WTR & WW \$0.01 overhydro power cost adjustment (PCA) is proposed to be removed with this COLA as the PCA has a positive balance of \$622,462 collected through the additional 1¢.

COMMISSIONER MOFFITT MOVED, SECONDED BY COMMISSIONER McNEIL, to approve a 2.8.% cost-of-living (COLA) increase in water and wastewater basic service rates effective October 1, 2024. Motion carried by the following roll call vote:

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

2.8% COLA ELECTRIC CHAIRMAN CAMPBELL explained that, as of today, the California average for electricity is 38¢ per kilowatt and Needles is \$0.1423 which does not include the blended hydro rate of about 12.8-13.2¢. The national average is 19¢ per kilowatt.

COMMISSIONER MOFFITT MOVED, SECONDED BY COMMISSIONER LeJEUNE, to approve a 2.8% cost-of-living (COLA) increase in electric basic service charge rate as of October 1, 2024; approve an over-hydro rate of \$0.1423 effective October 1, 2024; eliminate the \$.0100 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 LeJEUNE,
 MOFFITT AND McNEIL
 NOES: NONE
 ABSENT: COMMISSIONERS BROWN AND SCHNEIDER

Rates as of September 1 and October 1, 2024 as applicable:

	<u>Current</u>	<u>Effective Oct 1, 2024</u>
Basic Service Charge	\$35.23	\$36.22
Winter Hydro (Oct – Feb)	\$.0740 – 402 kwh allotment	\$.0818– 401 kwh
Summer Hydro (Mar – Sept)	\$.0650 – 757 kwh allotment	\$.0704 – 754 kwh
Over-hydro	**\$0.1638	*\$0.1423
CA Energy Efficiency Program	\$0.0025	\$0.0025
Utility Users Tax (UUT)	2.5% on all of the above	2.5% on all of the above

** Rate included a \$.01 PCA. As of July 2024, the Power Cost Adjustment has a positive balance of \$622,462. Proposed rates eliminate the additional \$.01 PCA

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).

REPORTS: CHAIRMAN CAMPBELL acknowledged the following reports: 1)) EUSI, LLC operational support services relating to the wastewater treatment facility and collection system June and July 2024; 2) Present Perfected Rights (PPR) report June and July 2024; and 3) Monthly Activity Report April and May 2024

City Manager Martinez reported that a letter was received from the US Dept of Interior, Bureau of Reclamation, notifying of a Tier 1 Shortage Condition and Drought Contingency Plan (DCP) and that the water allotment to Arizona and Nevada will be cut in 2025 but California is not affected at this time. Arizona is being cut 18% and Nevada 7% of each state's annual basic appropriation while California has no shortage reduction.

MGR’S RPT: Utility Manager Torrance reported: 1) received the final draft report for the Alternative Energy Ad Hoc Committee to review so will be setting up a meeting and will bring back to this Board in October; 2) a rate study request for proposals (RFP) has been issued and will close on October 1 and to the Board the 2nd meeting in October; 3) will be canceling the September 17 meeting due to lack of agenda items at this time; and 4) historical high electric peak was seen July 4 at 28 megawatts with the previous year at 24. The load was a holiday weekend load and she spoke on term and spot purchase of electric power.

City Manager Martinez referenced his weekly manager's reports included in the packet and noted that Needles experienced the hottest July on record. He thanked the Board for the increase in rates and commended staff for purchasing power out through December with the hopes of one more purchase before the November election.

September 3, 2024

Page 4

BRD RQSTS: COMMISSIONER McNEIL thanked the Needles Desert Star for putting the city manager's reports in the newspaper and sharing the information with the community.

COMMISSIONER LeJEUNE asked for an update on the Park Moabi line to which Utility Manager Torrance reported she's met with PG&E and they've asked for a proposal to connect their entire operations to our system. If this can be accomplished, our electric utility will be set up far into the future. PG&E is being pressured to do more green and this will be long term planning and discussion but there are several options on the transmission line coming into Needles.

CHAIRMAN CAMPBELL declared the adjourned regular meeting of the Board of Public Utilities held on the 3rd day of September, 2024, adjourned at 4:27 p.m.

ATTEST: _____

Chairman

Secretary