



Needles, California Request for Council Action

☐ CITY COUNCIL ☒ NPUA ☐ BOARD OF PUBLIC UTILITIES
☒ Regular ☐ Special

Meeting Date: October 10, 2023

Title: Approve a 3.6% cost-of-living (COLA) increase in water and wastewater basic service rates as of November 1, 2023

Background: Resolution Numbers 2020-66 and 2020-67 adopted by the Needles City Council/NPUA on October 13, 2020, provided for annual cost-of-living adjustments to the basic service charge and usage charges in both water and wastewater in order to adequacy fund annual increases in the cost of providing those services to the customer.

"A cost-of-living adjustment (COLA) shall be added to all rates on October 1st of each year and shall be automatically adjusted by using the then rates plus the consumer price index (CPI) published by the U.S. Bureau of Labor Statistics U.S. West – Size Class B/C CPI based on the June value of the appropriate price index OR the last twelve (12) months actual expenses plus the CPI, whichever is lower; however, in no circumstances shall any increase exceed five percent (5%)".

The CPI for June 2023 for the previous 12 months was 3.6% which is lower than the projection for the fiscal year of 23/24 of 5%.

The attached spreadsheets are in accordance with Resolution Numbers 2020-66 and 2020-67 which adopted a 5-year price per cubic feet amount and will set the new rates and will set the new basic rates. The water basic service charge for residents will increase by \$3.95 and the wastewater service charge will increase by \$1.79 for a total residential impact of an increase of \$5.74 per month. **The Board of Public Utilities approved the recommended action on 10/3/23.**

Fiscal Impact: Increase in water and wastewater rates to counteract current inflation rates.

Recommended Action: Approve a 3.6% cost-of-living (COLA) increase in water and wastewater basic service rates as of November 1, 2023

Submitted By: Rainie Torrance, Assistant Utility Manager

City Management Review: Rick

Date: 10/5/23

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 8

Residential Impact

PROPOSED:

WASTEWATER

	Description	Cost/EDU	Total
	Residential	51.41	51.41
Total Wastewater Charge			\$ 51.41

CURRENT

	Description	Cost/EDU	Total
	Residential	49.62	49.62
Total Wastewater Charge			\$ 49.62

Single Family Impact

\$ 1.79

PROPOSED:

WATER

	Description	Cost/EDU	Total
	Residential	47.53	47.53
	1000 Per 100 cutic feet of water	2.82	28.20
Total Water Charge			\$ 75.73

CURRENT

	Description	Cost/EDU	Total
	Residential	45.88	45.88
	1000 Per 100 cutic feet of water	2.59	25.90
Total Water Charge			\$ 71.78

Single Family Impact

\$ 3.95

Total Water and Wastewater Impact \$ 5.74

Current Rates October 1, 2022		Effective November 1, 2023 Rates		Projected Revenue		3.6% CPI
Meter Size	Basic Service Charge	Meter Size	Basic Service Charge	Customers	Annual Projected Revenue	
5/8" & 3/4"	\$45.88	5/8" & 3/4"	\$47.53	1,719	\$980,377.18	
5/8" & 3/4" duplex	\$45.88	5/8" & 3/4" duplex	\$47.53	-	\$0.00	
1"	\$74.28	1"	\$76.95	98	\$90,492.42	
1 1/2"	\$166.48	1 1/2"	\$172.47	41	\$84,855.58	
2"	\$211.60	2"	\$219.22	79	\$207,821.06	
3"	\$574.25	3"	\$594.92	1	\$7,139.05	
4"	\$752.94	4"	\$780.05	3	\$28,081.70	
6"	\$1,349.85	6"	\$1,398.44	2	\$33,562.57	
8"	\$2,121.40	8"	\$2,197.77	-	\$0.00	
10"	\$1,856.98	10"	\$1,923.84	1	\$23,086.04	
Per 100 cubic feet of water	\$2.59	Per 100 cubic feet of water	\$2.82		\$1,232,728.93	FY 22 Consumption - AZ Interconnect Usage
						43,713,792 Cu. Ft.
Temporary Fire Hydrant Meter:		*calculated based on 2020 rate study; adopted by Resolution 2020-66				
		Temporary Fire Hydrant Meter:				
2-1/2"	\$383.34	2-1/2"	\$397.14			
Install/Remove	\$30.41	Install/Remove	\$30.41			
Per 100 cubic feet of water	\$2.29	Per 100 cubic feet of water	\$2.82			
Required Deposit	\$500.00	Required Deposit	\$500.00			
					\$2,688,144.53	
		Actual last 12 Months	CPI Increase	Total		
5% increase in Revenue		\$2,580,153.00	\$92,885.51	\$2,673,038.51		
5% increase in O&M		\$2,620,406.00	\$94,334.62	\$2,714,740.62		

Current Rates Effective October 1, 2022					
Customer Class	\$/EDU	EDU Study		Monthly Charge for a Typical Customer	
		EDU	Units	\$/customer	Customer Units
Residential	\$ 49.62	1.00	/account	\$ 49.62	1 account
Hotel	\$ 49.62	0.70	/room	\$ 1,667.35	48 rooms/hotel
Hospitals	\$ 49.62	0.75	/bed	\$ 930.44	25 beds/hospital
Campgrounds	\$ 49.62	0.70	/RV/Camping Space/Cabin	\$ 5,627.31	162 RV/camping space/cabin
Multi-family	\$ 49.62	1.00	/account	\$ 49.62	1 account
Garden & Nurseries	\$ 49.62	1.00	/account	\$ 49.62	1 account
Laundromats	\$ 49.62			\$ -	
Schools	\$ 49.62	0.23	/student	\$ 10,294.90	902 students/school
General Commercial	\$ 49.62	1.65	/account	\$ 81.88	1 account
Beauty Salon & Barber Shop	\$ 49.62	0.50	/sink	\$ 99.25	4 sinks/salon
Religious Organizations	\$ 49.62	0.02	/seat	\$ 228.67	203 seats/organization
Food Establishments	\$ 49.62	0.18	/seat	\$ 571.66	64 seats/establishment
Government	\$ 49.62	1.65	/employee	\$ 818.79	10 employees/account
Gas Stations	\$ 49.62	2.90	/pump (side)	\$ 431.72	3 pumps/station
Native Village	\$ 49.62	109.00	/account	\$ 5,408.96	1 Native Village

CPI Index Calc:
3.6%

Effective November 1, 2023 Rates						Projected Revenue		
Customer Class	\$/EDU	EDU Study		Monthly Charge for a Typical Customer		Customers	EDU	Annual Rev
		EDU	Units	\$/customer	Customer Units			
Residential	\$ 51.41	1.00	/account	\$ 51.41	1 account	1,405	1,405	\$ 866,711
Hotel	\$ 51.41	0.70	/room	\$ 1,727.25	48 rooms/hotel	14	470	\$ 290,178
Hospitals	\$ 51.41	0.75	/bed	\$ 963.87	25 beds/hospital	1	19	\$ 11,566
Campgrounds	\$ 51.41	0.70	/RV/Camping Space/Cabin	\$ 5,829.48	162 RV/camping space/cabin	-	-	\$ -
Multi-family	\$ 51.41	1.00	/account	\$ 51.41	1 account	418	418	\$ 257,854
Garden & Nurseries	\$ 51.41	1.00	/account	\$ 51.41	1 account	-	-	\$ -
Laundromats	\$ 51.41			\$ -		-	-	\$ -
Schools	\$ 51.41	0.23	/student	\$ 10,664.76	902 students/school	1	207	\$ 127,977
General Commercial	\$ 51.41	1.65	/account	\$ 84.82	1 account	79	130	\$ 80,410
Beauty Salon & Barber Shop	\$ 51.41	0.50	/sink	\$ 102.81	4 sinks/salon	2	4	\$ 2,468
Religious Organizations	\$ 51.41	0.0227	/seat	\$ 236.89	203 seats/organization	13	60	\$ 36,954
Food Establishments	\$ 51.41	0.18	/seat	\$ 592.20	64 seats/establishment	16	184	\$ 113,703
Government	\$ 51.41	1.65	/employee	\$ 848.20	10 employees/account	20	330	\$ 203,569
Gas Stations	\$ 51.41	2.90	/pump (side)	\$ 447.23	3 pumps/station	7	61	\$ 37,568
Native Village	\$ 51.41	109.00	/account	\$ 5,603.29	1 Native Village	1	109	\$ 67,239
						1,977	3,503	\$ 2,096,197

	Actual last 12 Months	CPI Increase	Total
5% increase in Revenue	\$2,018,787.00	\$72,676.33	\$2,091,463.33
5% increase in O&M	\$2,168,342.00	\$78,060.31	\$2,246,402.31