



City of Needles, California Request for City Council Action

CITY COUNCIL NPUA Regular Special

Meeting Date: September 10, 2024

Title: Approve a 2.8.% cost-of-living (COLA) increase in water and wastewater basic service rates effective October 1, 2024

Background: Resolution Numbers 2020-66 and 2020-67 were 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 through October 2025.

“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 2024 for the previous 12 months was 2.8%, which is lower than the projection for the fiscal year of 24/25 of 3%.

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 through October 2025.

The water basic service charge for residents will increase by \$1.44, and the wastewater service charge will increase by \$3.83 for a total residential impact of an increase of **\$5.27 per month**.

The Board of Public Utilities approved the recommended action on September 3, 2024.

Fiscal Impact: Increase in the cost to provide water and wastewater service is adjusted by an annual cost of living adjustment. Lowest CPI adjustment since 2020.

Environmental Impact: None

Recommended Action: Approve a 2.8.% cost-of-living (COLA) increase in water and wastewater basic service rates effective October 1, 2024

Submitted By: Rainie Torrance, Utility Manager

City Manager Approval: Patrick J. Martinez

Date: 09/04/2024

Other Department Approval (when required): Barbara Dileo

Date: 09/05/2024

Approved: Not Approved: Tabled: Other:

Agenda Item: 9