City of Needles, California
Request for City Council Action

☒ CITY COUNCIL ☐ NPUA ☒ Regular ☐ Special

Meeting Date: October 22, 2024

Title: Accept the bid of Raftelis Financial Consultants, Inc. to prepare a Comprehensive Electric, Water, and Wastewater Cost of Service Ratemaking Study at a cost not to exceed $98,774 utilizing the adopted FY25 NPUA budget

Background: The City of Needles issued a solicitation for proposals from qualified firms to conduct a Rate Study to assist in determining how the City funds the administration, operation, maintenance, capital replacement, and improvement of its electric, water, and wastewater systems. The City is seeking a multi-year plan to align revenue with expenses, including ongoing maintenance, repairs, and upgrades to infrastructure and at the time set for bid opening on October 1, 2024, only one bid had been received from Raftelis Financial Consultants, Inc.

The study will evaluate all current electric, water, and wastewater rates, system revenue generation, and full cost recovery. The study will provide recommendations for a revenue structure that will comply with all federal, state, and local regulations, and will meet all debt-service requirements. The electric entity will present different potential rate structures.

The City anticipates submission of a draft Rate Study by June 2025. Following the acceptance of the draft rate study, the consultant will provide presentations to the Board of Public Utilities and the City Council within one to two months. A final report will be prepared based on input received during these presentations. If necessary and approved, a new rate structure would take effect on October 1, 2025.

The Board of Public Utilities approved the requested action at the regularly scheduled meeting on October 15, 2024.

Fiscal Impact: The adopted FY25 NPUA budget allocated funds for Electric, Water, and Wastewater to cover the 2024 Rate Study.

Environmental Impact: None

Recommended Action: Accept the bid of Raftelis Financial Consultants, Inc. to prepare a Comprehensive Electric, Water, and Wastewater Cost of Service Ratemaking Study at a cost not to exceed $98,774 utilizing the adopted FY25 NPUA budget.

Submitted By: Rainie Torrance, Utility Manager

City Manager Approval: Patrick J Martinez Date: 10/16/2024

Other Department Approval (when required): Kenneth McDonald Date: 10/16/2024

Approved: ☐ Not Approved: ☐ Tabled: ☐ Other: ☐

Agenda Item: _____