Needles, California
Request for Council Action

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

Meeting Date: September 10, 2019

Title: Approve a 2.6% cost-of-living (COLA) increase in water and wastewater rates as of October 1, 2019

Background: Resolution No.s 2016-19 and 2016-20 adopted by the Needles City Council/NPUA on April 12, 2016, provided for annual cost-of-living adjustments to the basic service charge and usage charges in both water and wastewater in order to recover 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 attached spreadsheets are in accordance with Resolution No.s 2016-19 and 2016-20 and will set the new rates.

The Board of Public Utilities approved the recommended action on 9/3/19.

Fiscal Impact: Slight increase in revenues to both water and wastewater

Environmental Impact: n.a

Recommended Action: I MOVE to approve a 2.6% cost-of-living (COLA) increase in water and wastewater rates as of October 1, 2019.

Submitted By: Rainie Torrance, Senior Accountant

City Management Review: Rick **Date:** 8/22/19

Approved: ☐	Not Approved: ☐	Tabled: ☐	Other: ☐
			Agenda Item: 10

Wastewater Rate Calculations Option A *Based on 2.6 % CPI Increase*

Revenue Target	1,834,100	FY20 Budget
Total EDU	3,398	
Rate ($/EDU/month)	$ 45.08	

Customer Class	$/EDU	EDU Study EDU	Units	Monthly Charge for a Typical Customer $/customer	Customer Units	Customers	EDU	Annual Rev
Residential	$ 45.08	1.00	/account	$ 45.08	1 account	1,405	1,405	$ 760,049
Hotel	$ 45.08	0.70	/room	$ 1,514.69	48 rooms/hotel	14	470	$ 254,468
Hospitals	$ 45.08	0.75	/bed	$ 845.25	25 beds/hospital	1	19	$ 10,143
Campgrounds	$ 45.08			$ -		-	-	$ -
Multi-family	$ 45.08	1.00	/account	$ 45.08	1 account	418	418	$ 226,121
Garden & Nurseries	$ 45.08	1.00	/account	$ 45.08	1 account	-	-	$ -
Laundromats	$ 45.08			$ -		-	-	$ -
Schools	$ 45.08	0.23	/student	$ 9,352.30	902 students/school	1	207	$ 112,228
General Commercial	$ 45.08	1.65	/account	$ 74.38	1 account	79	130	$ 70,514
Beauty Salon & Barber Shop	$ 45.08	0.50	/sink	$ 90.16	4 sinks/salon	2	4	$ 2,164
Religious Organizations	$ 45.08	0.03	/seat	$ 274.54	203 seats/organization	13	60	$ 32,458
Food Establishments	$ 45.08	0.18	/seat	$ 519.32	64 seats/establishment	16	184	$ 99,710
Government	$ 45.08	1.65	/employee	$ 743.82	10 employees/account	20	330	$ 178,517
Gas Stations	$ 45.08	7.00	/pump (side)	$ 946.68	3 pumps/station	7	61	$ 32,999
Native Village	$ 45.08	109.00	/account	$ 4,913.72	1 Native Village	1	109	$ 58,965
TOTAL						**1,977**	**3,398**	**$ 1,838,334**

Option B *Based on 2.6 % CPI Increase in actual expenses*

O&M	$1,067,861.00
Asset Replacement (BUDGET)	$55,864.00
Debt (BUDGET)	$710,375.00
	$1,834,100.00
2.6% Increase in actual expenses	$1,095,625.39
Revised FY20 Buget	**$1,861,864.39**

Current Rates Effective October 1, 2017						
			EDU Study	Monthly Charge for a Typical Customer		
Customer Class	**$/EDU**	**EDU**	**Units**	**$/customer**	**Customer Units**	
Residential	$ 43.94	1.00	/account	$ 42.58	1	account
Hotel	$ 43.94	0.70	/room	$ 1,430.64	48	rooms/hotel
Hospitals	$ 43.94	0.75	/bed	$ 798.35	25	beds/hospital
Campgrounds	$ 43.94	0.70	/RV/Camping Space/Cabin	$ 4,828.40	162	RV/camping space/cabin
Multi-family	$ 43.94	1.00	/account	$ 42.58	1	account
Garden & Nurseries	$ 43.94	1.00	/account	$ 42.58	1	account
Laundromats	$ 43.94			$ -		
Schools	$ 43.94	0.23	/student	$ 8,833.34	902	students/school
General Commercial	$ 43.94	1.65	/account	$ 70.25	1	account
Beauty Salon & Barber Shop	$ 43.94	0.50	/sink	$ 85.16	4	sinks/salon
Religious Organizations	$ 43.94	0.02	/seat	$ 196.21	203	seats/organization
Food Establishments	$ 43.94	0.18	/seat	$ 490.50	64	seats/establishment
Government	$ 43.94	1.65	/employee	$ 702.55	10	employees/account
Gas Stations	$ 43.94	2.90	/pump (side)	$ 370.43	3	pumps/station
Native Village	$ 43.94	109.00	/account	$ 4,641.06	1	Native Village

Effective **October 1, 2019** Rates						
			EDU Study	Monthly Charge for a Typical Customer		
Customer Class	**$/EDU**	**EDU**	**Units**	**$/customer**	**Customer Units**	
Residential	$ 45.08	1.00	/account	$ 45.08	1	account
Hotel	$ 45.08	0.70	/room	$ 1,514.77	48	rooms/hotel
Hospitals	$ 45.08	0.75	/bed	$ 845.30	25	beds/hospital
Campgrounds	$ 45.08	0.70	/RV/Camping Space/Cabin	$ 5,112.35	162	RV/camping space/cabin
Multi-family	$ 45.08	1.00	/account	$ 45.08	1	account
Garden & Nurseries	$ 45.08	1.00	/account	$ 45.08	1	account
Laundromats	$ 45.08			$ -		
Schools	$ 45.08	0.23	/student	$ 9,352.80	902	students/school
General Commercial	$ 45.08	1.65	/account	$ 74.39	1	account
Beauty Salon & Barber Shop	$ 45.08	0.50	/sink	$ 90.16	4	sinks/salon
Religious Organizations	$ 45.08	0.0227	/seat	$ 207.74	203	seats/organization
Food Establishments	$ 45.08	0.18	/seat	$ 519.35	64	seats/establishment
Government	$ 45.08	1.65	/employee	$ 743.86	10	employees/account
Gas Stations	$ 45.08	2.90	/pump (side)	$ 392.22	3	pumps/station
Native Village	$ 45.08	109.00	/account	$ 4,913.99	1	Native Village

Water Rate Calculations Option A *Based on 2.6 % CPI Increase*

Revenue Target	2,367,205	FY20 Budget

Effective **October 1, 2019 Rates**		Customers	Annual Rev
Meter Size	**Basic Service Charge**		
5/8" & 3/4"	$41.77	1,719	$861,699.73
5/8" & 3/4" duplex	$41.77	-	-
1"	$67.64	98	$79,540.02
1 1/2"	$151.60	41	$74,584.79
2"	$192.68	79	$182,665.06
3"	$522.90	1	$6,274.79
4"	$685.62	3	$24,682.26
6"	$1,229.14	2	$29,499.31
8"	$1,931.70	-	-
10"	$1,690.93	1	$20,291.21
Per 100 cubic feet of water	$1.96		$1,055,555.14
Temporary Fire Hydrant Meter:			
2-1/2"	$349.07		
Install/Remove	$29.23		
Per 100 cubic feet of water	$1.96		
Required Deposit	$500.00		
			$2,334,792.30

FY 19 Consumption
53,886,768 Cu. Ft.

Option B *Based on 2.6 % CPI Increase in actual expenses*

O&M	$1,665,186.00
Asset Replacement (BUDGET)	$181,004.00
Debt (BUDGET)	$521,015.00
	$2,367,205.00
2.6% Increase in actual expenses	$1,708,480.84
Revised FY20 Buget	$2,410,499.84

Current Rates October 1, 2018	
Meter Size	**Basic Service Charge**
5/8" & 3/4"	$40.71
5/8" & 3/4" duplex	$40.71
1"	$65.92
1 1/2"	$147.75
2"	$187.80
3"	$509.65
4"	$668.24
6"	$1,197.99
8"	$1,882.75
10"	$1,648.08
Per 100 cubic feet of water	$1.91
Temporary Fire Hydrant Meter:	
2-1/2"	$340.22
Install/Remove	$28.49
Per 100 cubic feet of water	$1.91
Required Deposit	$500.00

Effective **October 1, 2019 Rates**	
Meter Size	**Basic Service Charge**
5/8" & 3/4"	$41.77
5/8" & 3/4" duplex	$41.77
1"	$67.64
1 1/2"	$151.60
2"	$192.68
3"	$522.90
4"	$685.62
6"	$1,229.14
8"	$1,931.70
10"	$1,690.93
Per 100 cubic feet of water	$1.96
Temporary Fire Hydrant Meter:	
2-1/2"	$349.07
Install/Remove	$29.23
Per 100 cubic feet of water	$1.96
Required Deposit	$500.00