

BOARD OF PUBLIC UTILITIES

March 4, 2014

The regular meeting of the Board of Public Utilities held on the 4th day of March, 2014, was called to order at 4:00 p.m. with CHAIRMAN POCOCK presiding and the following COMMISSIONERS present:

COMMISSIONERS SULLIVAN, MOFFITT, SHAVER AND SHAW

Also Present: SECRETARY SALLIS, CITY MANAGER DANIELS, ASST CITY MANAGER BROWNLEE AND OTHER KEY STAFF

APPROVAL COMMISSIONER MOFFITT MOVED, SECONDED BY COMMISSIONER
AGENDA SULLIVAN, to approve the agenda with the removal of item 6b) as requested by staff (approval of the Debt Liquidation Plan to pay the current liability due to the City of Needles (as shown in the Audited Financial Statements of the NPUA for the years ending June 30, 2013 and June 30, 2012) in the amount of \$808,154 payable in two increments - one half in fiscal year 2013-2014 and the other half in fiscal year 2014-2015). Motion carried by the following vote:

AYES: CHAIRMAN POCOCK, COMMISSIONERS SULLIVAN,
MOFFITT, SHAVER AND SHAW
NOES: NONE
ABSENT: COMMISSIONER SCHNEIDER

APR MINS: COMMISSIONER SHAVER MOVED, SECONDED BY COMMISSIONER
Feb 18, '14 SHAW, to approve the minutes of the regular meeting held February 18, 2014.
Motion carried by the following vote:

AYES: CHAIRMAN POCOCK, COMMISSIONERS SULLIVAN,
MOFFITT, SHAVER AND SHAW
NOES: NONE
ABSENT: COMMISSIONER SCHNEIDER

CORSPNDN: None

PBLC APRN: None

UNF BUSNS: Asst City Manager Brownlee explained that we need to get actual data on cost to provide utility services within different zones/area. Staff will come back in
CONT DISC twelve months and provide the Board with that information so that we will have a
RE COST TO basis on which to charge different rates based on the cost of providing service(s)
PROVIDE within the different zones/areas.

SVCS

COMMISSIONER MOFFITT MOVED, SECONDED BY COMMISSIONER SHAVER, to accept staff's recommendation to document over the next twelve months those costs (labor, travel, and any ancillary costs) attendant to each trip to

venues outside the city's boundaries and return in 12 months to report out those findings. Motion carried by the following vote:

AYES: CHAIRMAN POCOCK, COMMISSIONERS SULLIVAN,
MOFFITT, SHAVER AND SHAW
NOES: NONE
ABSENT: COMMISSIONER SCHNEIDER

RESOL NO
3-4-14 BPU
REV WTR
RATES INC
ASSET
RPLCMT

CHAIRMAN POCOCK noted that the public lands rate has been excluded from the \$6 per month asset replacement fee and it was never intended to exempt any class of customer. Discussion followed on the application of the water asset replacement fee on the public lands rate which is a per acre foot charge for city parks, cemetery and golf course.

COMMISSIONER SCHNEIDER entered the meeting at 4:15 p.m.

COMMISSIONER SULLIVAN explained that the city needs funds from the utilities and if it's charged the extra \$6 per month on those accounts, then the city will figure out how to get those funds from the citizens so he doesn't have a problem with the city not being included in the \$6 water asset replacement fee. CHAIRMAN POCOCK responded that the \$67.21 public lands rate does not cover the cost to provide the water so the city is being subsidized now.

Discussion was held on the city council public hearing scheduled on March 11 for the additional \$3 per month water asset replacement fee (total of \$6 per month) and the notice that was mailed out which did not include the public lands rate. The city clerk has indicated that the council resolution will only include those rates which were duly noticed.

Kim Mitchell, business office supervisor, spoke on customers that have irrigation meters who are not paying the asset replacement fee for that meter. COMMISSIONER SCHNEIDER felt the asset replacement fee should apply to all accounts, including irrigation meters. City Manager Daniels suggested that the Board provide staff with policy direction on implementing the asset replacement fee and if we need to reschedule the public hearing and resend the notice, staff will do so. COMMISSIONER SCHNEIDER felt that application of the fee needs to be defined as per customer, per account, per meter or per location; billed out on multiple meters on a single property; and applied to the public lands rate. He suggesting getting all information and properly re-noticing the public hearing.

COMMISSIONER SHAVER suggested passing the resolution presently before the Board with the deletion of reference to the public lands rate and any other anomalies so this can move ahead and then dealing with those other issues separately with a separate public notice. He further felt that "per meter" would cover the issue of a definition as all water is based on metering.

After further general discussion on the revised water rates to be effective April 1, 2014 which include a total of \$6.00 for the asset replacement fund for water utilities,

MOT TO
ADOPT
RESOL

CHAIRMAN POCOCK MOVED, SECONDED BY COMMISSIONER SHAVER, to adopt Resolution No. 3-4-14 BPU approving revised water rates effective April 1, 2014, which include a total of \$6.00 for the asset replacement fund for water utilities with revisions by striking out the “(excluding the Public Land Rate)” from the resolution and approving the water service fees striking out any mention of the Public Lands Rate in Exhibit A and send it on to the City Council and Needles Public Utility Authority as revised with instructions to staff to apply the resolution to every customer as the resolution reads and to memo that customer is any metered device so that would automatically mean that anywhere there’s a meter, including the public lands rate, it be charged \$6.00 (per month for the water asset replacement fee) and that the previously issued (public hearing) notice be used so the revised water rates can begin April 1, 2014. Further, instruct staff to come back with any other exceptions and the Board can discuss those and give staff direction on how it believes is the application of this resolution to those accounts. Motion carried by the following vote:

- AYES: CHAIRMAN POCOCK, COMMISSIONERS MOFFITT,
SHAVER AND SHAW
NOES: COMMISSIONERS SULLIVAN AND SCHNEIDER
ABSENT: NONE

NEW BUSN: Supervisor Mitchell explained that she has been requesting proposals for new software. She’s been advised that our current IBM AS 400 operating system will no longer have maintenance support as of September and to upgrade will cost \$30,500. She contacted SunGard for a proposal to “go into the cloud” and has received a price of \$78,000. We currently pay \$27,000 to SunGard for software maintenance plus \$195 annual subscription fee. Supervisor Mitchell would like to see an upgrade done by May when the next maintenance fee will be due. The \$30,500 IBM upgrade includes the first three years maintenance support.

SOFTWARE/
HARDWRE
FOR UTLTY
BILLING

An extended discussion was held on the current operating system, its interface with the city’s accounting system, current and future needs of both the utilities and city, upgrade versus a new system, use of existing hardware, and review of the proposals received by staff, particularly the one from Black Mountain Software, which were included in the Board packet.

CHAIRMAN POCOCK suggested that an ad-hoc committee be formed to meet with staff and talk to vendors to see what would be the best option. He also encouraged the ad-hoc committee to contact other small cities/utilities on what system they use. COMMISSIONER MOFFITT felt that we should stay away from the current system, not do its upgrade, and look at a new operating system. COMMISSIONER SCHNEIDER encouraged the ad-hoc committee to check references of Black Mountain Software.

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After further discussion on the annual maintenance cost of the current system, the Board acknowledged that \$7,200 will be due in May and that should be paid pending research and action on a new system.

CHAIRMAN POCOCK appointed COMMISSIONERS MOFFITT, SULLIVAN AND SCHNEIDER to an ad-hoc committee to look into the options and proposals for a new operating system that will serve the needs of the utilities and city and report back to the Board.

BRD RQSTS: COMMISSIONER SCHNEIDER requested a brief explanation on the meeting of the AES Operating Board to which Asst City Manager Brownlee complied noting that the minutes of the February 20, 2014 meeting were provided to the Board.

ADJOURN: COMMISSIONER SHAW MOVED, SECONDED BY COMMISSIONER SULLIVAN, to adjourn. Motion carried by the following vote:

AYES: CHAIRMAN POCOCK, COMMISSIONERS SULLIVAN,
MOFFITT, SHAVER, SHAW AND SCHNEIDER
NOES: NONE
ABSENT: NONE

CHAIRMAN POCOCK declared the regular meeting of the Board of Public Utilities held on the 4th day of March, 2014, adjourned at 5:20 p.m.

ATTEST: _____

Chairman

Secretary