

BOARD OF PUBLIC UTILITIES

June 17, 2014

The regular meeting of the Board of Public Utilities held on the 17th day of June, 2014, was called to order at 4:00 p.m. with CHAIRMAN POCOCK presiding and the following COMMISSIONERS present:

COMMISSIONERS SULLIVAN, MOFFITT, SHAW AND SCHNEIDER

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

EX ABSNC COMMISSIONER MOFFITT MOVED, SECONDED BY COMMISSIONER
SHAVER SULLIVAN, to grant an excused absence to COMMISSIONER SHAVER.
Motion carried by the following vote:

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

APPROVAL COMMISSIONER MOFFITT MOVED, SECONDED BY COMMISSIONER
AGENDA SULLIVAN, to approve the agenda. Motion carried by the following vote:

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

APR MINS: None

CORSPNDN: None

PBLC APRN: None

UNF BUSNS: None

NEW BUSN: Kim Mitchell, business office supervisor, briefly explained the proposed policy relating to electric deposits for new and returning customers. It is being recommended to increase the minimum deposit to \$150 and if the customer has bad credit, 1-1/2 times the previous customer's highest monthly bill (June thru September). Discussion followed on the proposed policy compared to other utility agencies. Supervisor Mitchell acknowledged that a letter of credit from another agency will still be acceptable.

RESOL NO
6-17-14BPU
EST PLCY
RE ELECT
DEPOSITS

CHAIRMAN POCOCK MOVED, SECONDED BY COMMISSIONER SHAW, to waive the reading and adopt Resolution No. 6-17-14 BPU establishing a policy

relating to electric deposits for new and returning customers but to include the standard non-discriminatory clause at the bottom that should be used on all other documents. Motion carried by the following vote:

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

MORATRM
ON WW
ASSET RPL
FEE

City Manager Daniels indicated that the first question is does the Board have an interest in reinstating the wastewater asset replacement fund. The previous process held was Prop 218 compliant but not charter required as the city council can only accept or reject Board action on rates. If the Board agrees, they can adopt what the council adopted which is backwards but, according to the attorney, will comply. So the question is does the Board want to reinstate the fee until the rate studies can be done.

CHAIRMAN POCOCK explained that the information included in the packet indicates that the study shows that it is within 1.7% but he does not see that. The Board agreed to accept and use the results of the equivalent dwelling unit (EDU) study but is now being asked to not use those results but use figures that are based on error.

Discussion was held on the revenue generated to the wastewater asset replacement fund and how those revenues are generated.

City Manager Daniels commented that if the Board does not want to reinstate the fee, it will be done as part of the rate study. CHAIRMAN POCOCK expressed his concern with having a study done and then ignoring it and he's not in favor of that.

COMMISSIONER SCHNEIDER does not want to reinstate the fee due to the fact that we have in our present rate structure an allocation that is close to what the EDU study indicated. If the Board just accepts what the council adopted, the motels are paying 28% more than the study indicated. He felt we should wait until the completion of the rate study.

COMMISSIONER SULLIVAN spoke on the research he did back to the initial Board action in 2010. We have collected more than anticipated so he agreed with holding off until we get the other studies done.

City Manager Daniels reviewed the balances in the asset replacement funds as of June 30, 2013: water = \$292,000; wastewater = \$672,000; and electric = \$2.638 million. Electric transfers are done each month while water and wastewater will change at year end when those transfers are made and they will be higher than anticipated.

COMMISSIONER SCHNEIDER MOVED, SECONDED BY COMMISSIONER SHAW, to not unsuspend (reinstate) the \$3 wastewater asset replacement fee. Motion carried by the following vote:

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

CANCEL
2nd MTG
IN JULY
& AUG

City Manager Daniels explained that the city council will be considering going dark the second meeting in July and August to allow time for staff vacations, etc.

COMMISSIONER SULLIVAN MOVED, SECONDED BY COMMISSIONER MOFFITT, to cancel the second meeting for the months of July and August 2014.

COMMISSIONER SCHNEIDER noted that he will be asking for an excused absence the first meeting in July.

Motion carried by the following vote:

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

REPORTS:

Asst City Manager Brownlee explained that the acquisition of 5,000 vintage 2014 greenhouse gas allowances at \$11.75 each is for the Board's information only. For our first award, we paid \$11.48 and the next auction will be held in August but we've avoided that.

GREENHSE
GAS ALWN

CHAIRMAN POCOCK requested an agenda item to discuss including this expense as a power cost. It should be a separate line item and we should capture the cost in the power cost adjustment (PCA). Account for it in the accumulated PCA and when we do the spreadsheet for the cost-of-living adjustment, it will carry before the new rate.

BRD RQSTS: COMMISSIONER SULLIVAN requested an agenda item to discuss the allocation of non-direct expenses in the utility departments. Will be information only and nothing specific.

PWR PURCH
ALLIANCE

COMMISSIONER SCHNEIDER made reference to a reconciliation report from the new power purchase alliance - Aggregated Energy Services. It appears we consumed less power in the quarter ending March 2014 so the dollar costs were significantly less. There was about a 27% reduction but we also picked up excess hydro power from other members of the alliance. If this continues it will be a good thing for the city.

COMMISSIONER SULLIVAN requested to have available a report on metering at the next meeting.

CHAIRMAN POCOCK asked the status of a new computer system. City Manager Daniels responded he hopes to have something at the next meeting.

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

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

CHAIRMAN POCOCK declared the regular meeting of the Board of Public Utilities held on the 17th day of June, 2014, adjourned at 4:29 p.m.

ATTEST: _____
Chairman

Secretary