



(ACT) ACTION NEEDED
(INF) INFORMATION ONLY
(DIS) DISCRETIONARY

AGENDA

**SPECIAL MEETING OF THE
BOARD OF PUBLIC UTILITIES OF
THE CITY OF NEEDLES
IN JOINT SESSION WITH THE
NEEDLES PUBLIC UTILITY AUTHORITY / CITY COUNCIL
WEDNESDAY, NOVEMBER 12, 2025 AT 6:00 PM
OR AS SOON THEREAFTER AS THE
PUBLIC HEARING MAY CONVENE
1111 BAILEY AVENUE, NEEDLES**

**THE PUBLIC MAY ATTEND VIA TEAMS AND MAY SUBMIT ANY COMMENTS
IN WRITING PRIOR TO NOON ON THE DAY OF THE MEETING BY EMAILING
csallis@cityofneedles.com**

**TO JOIN THE LIVE TEAMS MEETING: log into the City of Needles website at
www.cityofneedles.com to access the agenda and [Click here to join the meeting](#)**

**If asked, enter the following: Meeting ID: 202 746 159#
OR listen in and participate by calling Teams: 1-323-488-2227 - Meeting ID: 202 746 159#
Meetings are being recorded**

BOARD OF PUBLIC UTILITIES CHAIRMAN TO CALL THE BOARD MEETING TO ORDER IN JOINT SESSION WITH THE NEEDLES PUBLIC UTILITY AUTHORITY / CITY COUNCIL - ROLL CALL OF THE BOARD MEMBERS

PUBLIC HEARING

- 1.** Board of Public Utilities / NPUA / Council: Public hearing noticed to consider all evidence and testimony for or against a proposed increase in water rates for water services
 - Staff Report
 - Board / NPUA / Council questions of staff
 - Mayor to open the public hearing
 - Public Comment
 - Mayor to close the public hearing
 - City Clerk will announce the final number of written protests received under Prop 218 and whether a majority protest exists
 - Board / NPUA / Council Discussion / Deliberation
 - **BOARD ACTION:** Waive the reading and adopt Resolution No. 11-12-25 BPU establishing and recommending rates for water service effective February 1, 2026; and rescinding all prior resolutions relating to the establishment of water rates subject to adoption of new rates by the City Council and Needles Public Utility Authority (ACT)
 - **NPUA ACTION:** Waive the reading and adopt Resolution No. 11-12-2025-NPUA approving rates for water service effective February 1, 2026, and rescinding all prior resolutions relating to the establishment of water rates (ACT)
 - **COUNCIL ACTION:** Waive the reading and adopt Resolution No. 2025-47 approving rates for water service effective February 1, 2026, and rescinding all prior resolutions relating to the establishment of water rates (ACT)

2. Board of Public Utilities / NPUA / Council: Public hearing noticed to consider all evidence and testimony for or against a proposed increase in wastewater rates for wastewater services

- Staff Report
- Board / NPUA / Council questions of staff
- Mayor to open the public hearing
- Public Comment
- Mayor to close the public hearing
- City Clerk will announce the final number of written protests received under Prop 218 and whether a majority protest exists
- Board / NPUA / Council Discussion / Deliberation
- **BOARD ACTION:** Waive the reading and adopt Resolution No. 11-12-25-1 BPU establishing and recommending rates for wastewater service effective February 1, 2026; and rescinding all prior resolutions relating to the establishment of wastewater rates subject to adoption of new rates by the City Council and Needles Public Utility Authority (ACT)
- **NPUA ACTION:** Waive the reading and adopt Resolution No. 11-12-2025-1-NPUA approving rates for wastewater service effective February 1, 2026, and rescinding all prior resolutions relating to the establishment of water rates (ACT)
- **COUNCIL ACTION:** Waive the reading and adopt Resolution No. 2025-48 approving rates for wastewater service effective February 1, 2026, and rescinding all prior resolutions relating to the establishment of wastewater rates (ACT)

BOARD OF PUBLIC UTILITIES CHAIRMAN TO DECLARE THE SPECIAL MEETING ADJOURNED

INTERNET ACCESS TO BOARD AGENDA AND STAFF REPORT MATERIAL IS AVAILABLE PRIOR TO THE MEETING AT: [HTTP://WWW.CITYOFNEEDLES.COM](http://www.cityofneedles.com)

Posted: November 7, 2025

SB 343-DOCUMENTS RELATED TO OPEN SESSION AGENDAS -- Any public record, relating to an open session agenda item, that is distributed within 72 hours prior to the meeting is available for public inspection at the Administrative Office, 817 Third Street, Needles, CA 92363.

In compliance with the American with Disabilities Act, if you need special assistance to participate in this meeting, please contact Cheryl Sallis, Secretary to the Board, at (760) 326-2113 ext 115. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-104 ADA Title II).



City of Needles, California Request for Commission Action

CITY COUNCIL BOARD OF PUBLIC UTILITIES

Regular Special

Meeting Date: November 12, 2025

Title: Public hearing noticed to consider all evidence and testimony for or against a proposed increase in water rates for water services

Background: The Needles Public Utility Authority (NPUA)/Board of Public Utilities (BPU) last completed a Cost of Service Study for the water utility in 2019 and adopted proposed rates in 2020. Per the NPUA/BPU, a water utility rate study shall be initiated every five (5) years.

In mid-2024, the NPUA/BPU initiated a rate review beginning with a Cost of Service Study and hired third party to complete the review. The NPUA and BPU established an ad hoc committee. The purpose of the Cost of Service study is to determine the cost of providing the water service overall and to develop a rate structure to allocate to each customer class so that the proposed rate structure is aligned with those costs. The State Constitution requires that the NPUA cannot charge more than the actual cost of providing water service.

The study included evaluation of several multi-year planning scenarios through interactive work sessions with City staff and the ad hoc rate committee. The analysis evaluated the required rate revenue based on various operation and capital improvement plans, bond issuance, and financial policy alternatives. This process provided a comprehensive understanding of the potential implications of numerous financial management and planning decisions.

Staff provided a comprehensive Capital Improvement Plan that includes water supply, pipe replacement, and system expansion projects. Water supply projects include a new well and reservoir to provide needed source redundancy in the City's water supply infrastructure. The pipeline and system replacement projects prioritize the infrastructure with great deficiencies.

The result was a financial plan that uses the most current data to develop a multi-year projection, meeting the need for important system investments and key financial performance objectives while minimizing rate adjustments to the extent possible. The final Water Cost of Service study was adopted by the BPU and NPUA in early September and initiated the process required by the California Constitution (Proposition 218, 1998).

Public notice was issued (mailed) on September 19, 2025, identifying the amount of the existing and proposed rates, the basis upon which the proposed rates were calculated, and the reason for the proposed rate increase, and setting a time and place for a public hearing for the BPU and NPUA/City Council. Additionally, staff conducted three (3) community meetings and met with individuals at which ratepayers could receive comprehensive information and determine the proposed rate impact on them and their property, and fully understand the water utility and its funding needs.

Fiscal Impact: 3% Increase in revenues to provide the cost of service.

Environmental Impact: None.

Recommended Action: Move to waive the reading and adopt Resolution 11-12-25 BPU approving rates for water service effective February 1, 2025, and rescinding all prior resolutions relating to the establishment of water rates.

Submitted By: Rainie Torrance, Utility Manager

City Manager Approval: Rainie Torrance Acting C.M.

Date: 11/16/25

Other Department Approval (when required): _____

Date: _____

RESOLUTION NO. 11-12-25 BPU

A RESOLUTION OF THE BOARD OF PUBLIC UTILITIES OF
OF THE CITY OF NEEDLES, CALIFORNIA, RESCINDING
RESOLUTION NO. 10-6-20 BPU AND ESTABLISHING AND
RECOMMENDING RATES FOR WATER SERVICE EFFECTIVE
FEBRUARY 1, 2026; AND RESCINDING ALL PRIOR RESOLUTIONS
RELATING TO THE ESTABLISHMENT OF WATER RATES SUBJECT
TO ADOPTION OF NEW RATES BY THE CITY COUNCIL
AND NEEDLES PUBLIC UTILITY AUTHORITY

WHEREAS, it is the responsibility of the Board of Public Utilities (“Board”) to establish and recommend water rates sufficient to cover all costs of the operations and maintenance of the water department, including but not limited to purchase payments, debt service and asset replacement; and

WHEREAS, the establishment of such rates is subject to approval by the City Council and the Needles Public Utility Authority (“NPUA”); and

WHEREAS, it is necessary that rates for water service be sufficient to cover the City’s cost to provide such service, now and in the future; and

WHEREAS, on October 15, 2024, the Board accepted a proposal from Raftelis Financial Consultants, Inc. to prepare a cost of service study for the three utilities; and

WHEREAS, on September 2, 2025, the Board voted to accept the Raftelis Water and Wastewater Cost of Service Ratemaking Study dated August 2025; and

WHEREAS, Section 6 of Article XIID of the California Constitution (commonly known as “Proposition 218”) sets forth notice, hearing and protest requirements applicable to the increase of water service rates; and

WHEREAS, on September 19, 2025, a notice of public hearing was mailed to all property owners regarding the recommended rate increases; and

WHEREAS, on November 12, 2025, the Board, in joint session with the Needles Public Utility Authority and City Council, conducted and concluded a duly noticed public hearing concerning the recommended rate increases and considered all written and oral comments presented; and

WHEREAS, at the close of such joint public hearing, no majority written protest to the recommended increases was presented under Proposition 218.

NOW, THEREFORE, BE IT RESOLVED that the Board of Public Utilities of the City of Needles, California, hereby recommends and approves the rate increases, to be effective February 1, 2026, as established, including cost-of-living adjustments (COLA), for water services as follows:

That, subject to approval of the City Council and NPUA, the Board of Public Utilities hereby rescinds Resolution No. 10-6-20 BPU in its entirety and all prior resolutions relating to establishment of water rates and recommends the establishment of water rates, including cost-of-living adjustments (COLA), for water service according to Attachment 'A' - Schedule of Rates - including annual cost-of-living adjustments (COLA) as provided below.

BE IT FURTHER RESOLVED that the rates for water service shall take effect as set forth herein, which includes a cost-of-living adjustment (COLA) to all rates on October 1st of each year beginning October 1, 2026 up through and including October 1, 2029.

PASSED, APPROVED AND ADOPTED at a special meeting of the Board of Public Utilities of the City of Needles, California, held on the 12th day of November, 2025 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairman

ATTEST: _____
Secretary

ATTACHMENT A

SCHEDULE OF RATES - WATER

RATE SCHEDULE	CURRENT RATES & CHARGES	PROPOSED RATES / EFFECTIVE DATE				
		FEB. 1, 2026	OCT. 1, 2026	OCT. 1, 2027	OCT. 1, 2028	OCT. 1, 2029
MONTHLY BASIC SERVICE CHARGE						
5/8" X 3/4"	\$48.86	\$48.78	\$50.25	\$51.76	\$53.32	\$54.92
1"	\$79.10	\$75.75	\$78.03	\$80.38	\$82.80	\$85.29
1 1/2"	\$177.30	\$143.17	\$147.47	\$151.90	\$156.46	\$161.16
2"	\$225.36	\$ 224.07	\$230.80	\$237.73	\$244.87	\$252.22
3"	\$611.58	\$439.82	\$453.02	\$466.62	\$480.62	\$495.04
4"	\$801.89	\$ 682.54	\$703.02	\$724.12	\$745.85	\$768.23
6"	\$1,437.60	\$1,356.76	\$1,397.47	\$1,439.40	\$1,482.59	\$1,527.07
8"	\$2,259.31	\$2,165.82	\$2,230.80	\$2,297.73	\$2,366.67	\$2,437.68
10"	\$1,977.70	\$5,671.75	\$5,841.91	\$6,017.17	\$6,197.69	\$6,383.63
VOLUMETRIC RATE						
USAGE RATE (PER HCF*)	\$3.07	\$3.37	\$3.48	\$3.59	\$3.70	\$3.82



City of Needles, California Request for Commission Action

CITY COUNCIL BOARD OF PUBLIC UTILITIES Regular Special

Meeting Date: November 12, 2025

Title: Public hearing noticed to consider all evidence and testimony for or against a proposed increase in wastewater rates for wastewater services

Background: The Needles Public Utility Authority (NPUA)/Board of Public Utilities (BPU) last completed a Cost of Service Study for the water utility in 2019 and adopted proposed rates in 2020. Per the NPUA/BPU, a water utility rate study shall be initiated every five (5) years.

In mid-2024, the NPUA/BPU initiated a rate review beginning with a Cost of Service Study and hired a third party to complete the review. The NPUA and BPU established an ad hoc committee. The purpose of the Cost of Service study is to determine the cost of providing the wastewater service overall and to develop a rate structure to allocate to each customer class so that the proposed rate structure is aligned with those costs. The State Constitution requires that the NPUA cannot charge more than the actual cost of providing water service.

The study included evaluation of several multi-year planning scenarios through interactive work sessions with City staff and the ad hoc rate committee. The analysis evaluated the required rate revenue based on various operation and capital improvement plans, bond issuance, and financial policy alternatives. This process provided a comprehensive understanding of the potential implications of numerous financial management and planning decisions.

Staff provided a comprehensive Capital Improvement Plan that includes wastewater supply, rehabilitating manholes and upsizing existing pipelines.

The result was a financial plan that uses the most current data to develop a multi-year projection, meeting the need for important system investments and key financial performance objectives while minimizing rate adjustments to the extent possible. The final Wastewater Cost of Service study was adopted by the BPU and NPUA in early September and initiated the process required by the California Constitution (Proposition 218, 1998).

Public notice was issued (mailed) on September 19, 2025, identifying the amount of the existing and proposed rates, the basis upon which the proposed rates were calculated, and the reason for the proposed rate increase, and setting a time and place for a public hearing for the BPU and NPUA/City Council. Additionally, staff conducted three (3) community meetings and met with individuals at which ratepayers could receive comprehensive information and determine the proposed rate impact on them and their property, and fully understand the water utility and its funding needs.

Fiscal Impact: 6% Increase in revenues to provide the cost of service.

Environmental Impact: None.

Recommended Action: Move to waive the reading and adopt Resolution 11-12-25-1 BPU approving rates for wastewater service effective February 1, 2026, and rescinding all prior resolutions relating to the establishment of water rates.

Submitted By: Rainie Torrance, Utility Manager

City Manager Approval: Rainie Torrance Acting C.M.

Date: 11/6/25

Other Department Approval (when required): _____

Date: _____

RESOLUTION NO. 11-12-25-1 BPU

A RESOLUTION OF THE BOARD OF PUBLIC UTILITIES OF
OF THE CITY OF NEEDLES, CALIFORNIA, RESCINDING
RESOLUTION NO. 10-6-20-1 BPU AND ESTABLISHING AND
RECOMMENDING RATES FOR WASTEWATER SERVICE
EFFECTIVE FEBRUARY 1, 2026; AND RESCINDING ALL PRIOR
RESOLUTIONS RELATING TO THE ESTABLISHMENT OF
WASTEWATER RATES SUBJECT TO ADOPTION OF
NEW RATES BY THE CITY COUNCIL AND
NEEDLES PUBLIC UTILITY AUTHORITY

WHEREAS, it is the responsibility of the Board of Public Utilities (“Board”) to establish and recommend wastewater rates sufficient to cover all costs of the operations and maintenance of the wastewater department, including but not limited to purchase payments, debt service and asset replacement; and

WHEREAS, the establishment of such rates is subject to approval by the City Council and the Needles Public Utility Authority (“NPUA”); and

WHEREAS, it is necessary that rates for wastewater service be sufficient to cover the City’s cost to provide such service, now and in the future; and

WHEREAS, on October 15, 2024, the Board accepted a proposal from Raftelis Financial Consultants, Inc. to prepare a cost of service study for the three utilities; and

WHEREAS, on September 2, 2025, the Board voted to accept the Raftelis Water and Wastewater Cost of Service Ratemaking Study dated August 2025; and

WHEREAS, Section 6 of Article XIID of the California Constitution (commonly known as “Proposition 218”) sets forth notice, hearing and protest requirements applicable to the increase of wastewater service rates; and

WHEREAS, on September 19, 2025, a notice of public hearing was mailed to all property owners regarding the recommended rate increases; and

WHEREAS, on November 12, 2025, the Board, in joint session with the Needles Public Utility Authority and City Council, conducted and concluded a duly noticed public hearing concerning the recommended rate increases and considered all written and oral comments present; and

WHEREAS, at the close of such joint public hearing, no majority written protest to the recommended increases was presented under Proposition 218.

NOW, THEREFORE, BE IT RESOLVED that the Board of Public Utilities of the City of Needles, California, hereby recommends and approves the rate increases, to be effective February 1, 2026, as established, including cost-of-living adjustments (COLA), for wastewater services as follows:

That, subject to approval of the City Council and NPUA, the Board of Public Utilities hereby rescinds Resolution No. 10-6-20-1 BPU in its entirety and all prior resolutions relating to establishment of wastewater rates and recommends the establishment of wastewater rates, including cost-of-living adjustments (COLA), for wastewater service according to Attachment 'A' - Schedule of Rates - including annual cost-of-living adjustments (COLA) as provided below.

BE IT FURTHER RESOLVED that the rates for wastewater service shall take effect as set forth herein, and a cost of living adjustment (COLA) shall be added to all rates on October 1st of each year beginning October 1, 2026 up through and including October 1, 2029.

PASSED, APPROVED, AND ADOPTED at a special meeting of the Board of Public Utilities of the City of Needles, California, held on the 12th day of November, 2025 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairman

ATTEST: _____
Secretary

ATTACHMENT 'A'

SCHEDULE OF RATES.

Rate Components	Current Rates \$/EDU	Proposed Rates/ <i>Effective Date</i> – \$ per EDU				
		<i>Feb. 1, 2026</i>	<i>Oct. 1, 2026</i>	<i>Oct. 1, 2027</i>	<i>Oct. 1, 2028</i>	<i>Oct. 1, 2029</i>
Customer Class	\$52.85	\$56.03	\$59.40	\$62.97	\$66.75	\$70.76

Customer	EDU RADIO	Units
Single Family Residential	1.00	Per account
Hotel	0.70	Per room
Hospitals	0.75	Per bed
Multi-Family	1.00	Per account
Garden & Nurseries	1.00	Per account
Schools	0.23	Per student
General Commercial	1.65	Per account
Beauty Salon & Barber Shop	0.50	Per sink
Needles Marina	0.55	Custom
Religious Organizations	0.02	Per seat
Seventh Day Adventist	0.01	Custom
Food Establishments	0.18	Per seat
Government	1.65	Per employee
Gas Stations	2.90	Per pump (side)
Shell/Dairy Queen	0.74	Custom
Native Village	109	Per account