



By JENNIFER DENEVAN, Needles Desert Star  
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## **Council, NPUA approve asset replacement charge**

NEEDLES — Despite opposition, both the city council and the Needles Public Utility Authority approved an additional \$3 per month charge for a water asset replacement fund and establishing a cost of living adjustment beginning Oct. 1, 2014, and continuing through Oct. 1, 2016, during the March 11 meeting.

Rick Daniels, city manager, said the council asked the utility board to look at the matter in terms of creating an asset replacement fund that would assist in the replacement of antiquated facilities in the ground. The utility board initiated the process and recommended the increase, he said. The board made one adjustment, eliminating the public lands rate. All users of the system will now pay \$6 per meter; a \$3 charge imposed last fall plus the \$3 water asset replacement fund charge.

Daniels said the utility board and city staff did adhere to Proposition 218 requirements regarding increasing fees. Notices were given in the utility bills and in the Needles Desert Star.

Initially, Daniels reported not receiving any negative comments back on the additional fee. Later, it was reported there were three written notifications from the public expressing disapproval.

During public comment, additional disapproval was shown by the public. Billy Bradshaw, resident, said he agrees with an asset replacement fund but felt the method was inappropriate. The increase is being put on a “captive audience,” he said.

Bradshaw suggested the city use the same fund they used to pay Bashas’ when the city worked a deal with the local supermarket to keep them in business. It was argued by council members that couldn’t happen because the money to pay for that essentially came from the city’s general fund and that’s part of why the city is struggling now.

Ruth Musser-Lopez also expressed disapproval of the increase. She said she felt the city didn't go through the proper channels and that given the fee is a tax, it needs to go before the voters. Also when the city sold the utilities to itself and created the NPUA, this fee essentially means double billing the ratepayers, she continued.

Terry Campbell, council member, said part of the problem is the utility stands on its own. It has to be self-sustaining.

The water system is several decades old and is in need of repairs, Campbell said. This last year the water department is in need of restoring the storage tanks to "the tune of \$1.2 million," he continued. There isn't that kind of money in the water asset replacement fund.

Campbell said a contractor has been found who can repair tanks in stages and let the city pay for it over four years. This adjustment is made to help cover those costs.

Tom Darcy, council member, said the utility board spent a lot of time on this matter. "They beat it up," he said.

The board looked at all aspects, including the legal side of it, and it's their opinion this is legal, he said. The board did their due diligence and this is the best deal that could be developed for the circumstances, Darcy added. He also commended the utility board for their efforts.