

**City of Bishop**  
**WATER AND SEWER COMMISSION AGENDA**

Date: July 10, 2007  
7:00 P.M.

**NOTICE TO THE PUBLIC:**

In compliance with the Americans with Disabilities Act, if you need Special assistance to participate in this meeting, please contact the City Clerk (760) 873-5863. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title II).

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**PUBLIC COMMENT: NOTICE TO THE PUBLIC:** This time is set aside to receive public comment on matters not calendared on the agenda.

**APPROVAL OF MINUTES**

- (1) Minutes of the Water and Sewer Commission meeting held on May 8, 2007 subject for approval.

**NEW BUSINESS**

- (2) Discussion on rate study – Using a Consultant or doing it internally
- (3) Billing property owners rather than tenants for water and sewer

**OLD BUSINESS**

- (4) Public Works Report for May and June

**STAFF AND COMMISSION REPORTS**

**ADJOURNMENT:** The next regularly scheduled meeting will be September 11, 2007 at 7:00 P.M. in the City Council Chambers, 301 West Line Street, Bishop.

**MINUTES**  
Water and Sewer Commission  
May 8, 2007

CALL TO ORDER:

Chairman Martin called the meeting to order at 7:00 P.M.

PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance was led by Chairman Martin

COMMISSISONERS PRESENT:

Martin, Cross and Underhill

COMMISSIONERS ABSENT:

Mathieu and Bhakta

OTHERS PRESENT:

Dave Grah, Public Works Director  
Deston Dishion, Public Works Superintendent  
Kathy Lehr, Secretary  
James Owens, Nolte  
Council Member Jeff Griffiths

**PUBLIC COMMENT: NOTICE TO THE PUBLIC:** This time is set aside to receive public comment on matters not calendared on the agenda.

No comments received.

Mr. Grah introduced Councilmember Jeff Griffiths and James Owens, Project Manager for Nolte. Mr. Owens has been working on the Water and Sewer Master Plans.

**CORRESPONDENCE:** Letter from Terry Bowyer, dated 3/19/07

Chairman Martin asked if the City has a discount rate for low income and Mr. Grah said yes. A 25% discount is available, and to be eligible you have to be at least of 65 years of age and under a certain income dollar amount. Mr. Grah stated that we need to express our understanding and concerns and answer Mr. Bowyer's letter, but we are not in a

position to do anything else. He suggested letting Mr. Bowyer know the low income-senior plan the City has available. Chairman Martin said that he would like to see a letter drafted to Mr. Bowyer and explain to him how we got where we are with the rates and include the form for the Senior Citizen Discount. Chairman Martin was concerned with the response time. Mr. Grah said that since we only meet every two months that we could do more e-mail communications. Commissioner Cross suggested we might even invite him to come to one of our meetings. Mr. Grah will draft a letter tomorrow for Chairman Martin's signature.

Mr. Dishion asked if Water and Power had a program for low income and Chairman Martin said that they do and not only for low income, but other programs too.

#### APPROVAL OF THE MINUTES:

- (1) Vice Chairman Cross asked if there were any additions or corrections to the minutes of the March 13, 2007 meeting.

#### MOTION:

Commissioner Underhill moved to approve the minutes of the March 13, 2007 meeting as written.

#### MOTION CARRIED.

#### NEW BUSINESS:

- (2) Recommendation to City Council regarding rate study.

Chairman Martin said that there was some concern regarding the amount it cost to have the rate study done by an outside firm rather than having it done in-house. However Chairman Martin said that an independent outside firm is neutral and there would be no prejudice. The cost of the rate study should not be as high as it was last time because we have had a current study done of the rate structure, in addition to the information gathered from the Master Plan which will be done in the near future.

Mr. Grah stated that the City's approach has been to bring someone in from the outside because you get a neutral unbiased look and there's a lot of value in that. The cost for the last study was high (\$83,000). However, if City staff were to do it, from a practical standpoint that would mean Deston and Dave would do it and, with so many things on the table right now, that would distract them from other critical tasks. For instance, Public Works has several street projects (\$4 to \$5 million) that they will be involved in. Mr. Grah's take on it is that a consultant would be the right way to go. Chairman Martin suggested that the City come up with a cost study to do it in-house. The Master Plan should be completed in July and Mr. Grah said that Nolte has already put together an

estimate. Chairman Martin said that he would like to see the City put together a cost estimate and with Nolte's estimate we can discuss it at our July meeting and be ready to move forward after that.

(3) Select commissioners to attend City Council Meeting June 11, 2007

Mr. Grah said that a legal public hearing will be held for the next rate increase on June 11, 2007 and feels that having some commissioners present to show our concern and interest would be a good thing. Forrest Cross said he would attend and Cheryl Underhill will let us know. Chairman Martin said he would not be able to attend, but would write a letter. Commissioners Mathieu and Bhakta will also be contacted to see if they would like to attend.

OLD BUSINESS

(4) Nolte presentation of status of Water and Sewer Master Plans

Mr. Grah stated that working with James has been a pleasure and we are lucky to have James involved in the Master Plan process.

Mr. Owens presented a mid-project workshop before they finalize the Water and Sewer Master Plans. The purpose of this workshop is to present findings and make recommendation to the community and receive input. They have been working on the Master Plan since last June and have looked at both systems (water and wastewater) with several on-site visits and data provided by the City. They have put together a plan for the next 20 years or so consisting of projects, scheduling and how we are going to pay for them. They have listened to complaints, concerns and ideas on how to make the systems better and improve operations. They have looked at both systems to identify deficiencies and developed alternatives to address the deficiencies. They compared these alternatives and prioritized them.

Primary water deficiencies included:

- Loss of pressure due to pipeline restrictions and dead ends
- Water supply risks – 2 miles of pipeline
- Wells 2 and 4 running constantly without a backup well
- Too many pipe sizes and materials

Primary wastewater deficiencies included:

- Trunk lines cannot pick up all areas in the City
- Treatment plant needs improvements – health and safety issues. Mr. Grah added that debris gets stopped by the screen and staff has to shovel it off and

put in dumpster. Same with grit – staff has to shovel it off. There's a constant "mist" that gets inhaled. Chairman Martin recommended wearing masks at least for now.

- Lighting and storage
- Pond operations are limited and need improvement
- Stricter Waste Discharge Requirements. Need to have an action plan in place.

#### Project Selection Criteria:

They broke down deficiencies, graded them and weighed the factors to come up with the criteria. It was a subjective, numerical analysis.

- Capital costs
- Operation & maintenance costs
- System reliability
- Decrease operation costs
- Operator safety and health

Chairman Martin thought that system reliability should have a higher priority. Mr. Grah agreed that it should also be bumped up and that they did talk about it last week.

Mr. Owens No. 1 priority was the replacement of the pipelines in the systems, mainly because there are so many and they do cause a liability problem. It is not feasible to do them all at once so it becomes a prioritization. Need to decide where you want to start and move forward. Mr. Owens said that projects that could be considered high grant candidates would be interconnection with Indian Creek, interconnection with the Tribe and the construction of Well 3, due to Proposition 84 that will be in effect in November.

#### Project Prioritization Criteria:

- Capital costs
- Decrease operation costs
- Correspond with other city projects
- Regulatory requirements
- Health and safety
- Potential outside funding

#### Project Prioritizations:

- Projects that could qualify for grant funding
- Water and sewer pipe improvements where improvements are funded by Caltrans
- Projects that need to comply with State requirements

- Projects that are need to reduce operating cost and improve safety

#### Identified Water Projects:

- Adding and replacing pipelines – enlarging to 8” PVC and looping
- Installation of meters (in the future)
- SCADA improvements – communications
- Relocation of Public Works shop. There is room at the wastewater treatment plant and this property could be used for a better purpose (in the future)
- Improvements at Well 4 (only running at about 65% efficiency)
- Valve and hydrant replacement
  
- Back up water source possibilities:
  - Well 3
  - Interconnect with Indian Creek and Tribe
  - Interconnection with Bishop Airport
- \* Recurring Projects
  - Tank Inspections every 2 to 3 years
  - Master Plan review every 5 years
  - Rate Study review every 2-1/2 years

Mr. Grah stated that ESCSD is almost at its capacity and the City has excess capacity. The Tribe and ESCSD continue to work together.

#### Identified Wastewater Projects:

- Manhole recoating – improvements not replacement
- Pipeline replacement
- Plant improvements
- Pond improvements
- Possible interconnection with ESCSD.
- Cover for clarifier
- Grease Trap improvements
- Relocation of Johnston Drive Lift Station (mostly for circulation improvement)
- SCADA improvements for communication
- Recurring inspections and cleaning of pipelines

#### Risk and Uncertainties:

- Regulatory requirements can vary from what the Master Plan envisions now.

- Capital costs change
- Interest rate can change

Mr. Grah stated that they continue to look at risks and uncertainties as they can change. Capital Improvement Projects can change also. Cost inflate, interest rates change, demand and energy costs change, etc. He stated that capital costs that Nolte has come up with are a lot higher than what the City has estimated. One area that we need to come to terms with is the costs of Capital Improvement Projects and get a better joint confidence in the costs shown in the Master Plans.

Recommendations:

- Look into project funding
- Complete rate study
- Implement water and sewer pipeline improvements before street projects.
- Implement Wastewater Discharge Requirements as required by State.
- Emergency interconnection with ESCSD

Mr. Owens said that we need to start with the projects that someone else could pay for and spread out high dollar projects as much as possible.

Chairman Martin thanked Mr. Owens again for his presentation.

(5) Public Works Reports for March and April

Commissioner Cross asked Mr. Dishion about the water meter situation. Mr. Dishion said that the car wash had used about 188,000 gallons in about a month and he would be re-checking the meter readings. He stated that the owner of the Shell Station was going to be installing a backflow device at the Shell Station and at the same time the City would install a meter so that they can do a comparison between car washes.

Mr. Dishion reviewed the public works reports for March and April. He stated that we will be doing a backflow survey of all commercial accounts and at the same time an inventory of all commercial water and sewer accounts will be done. Commissioner Cross asked how often the State Water Quality Board does an inspection of the Wastewater Treatment Plant. Mr. Dishion said that it is not done on a regular basis.

STAFF AND COMMISSION REPORTS:

Items to be discussed at the July meeting:

NEW BUSINESS:

1. Discussion on rate study. Using a Consultant or doing it internally.
2. Billing property owners rather than tenants for water and sewer.

OLD BUSINESS:

1. Public Works Report May and June

ADJOURNMENT:

Vice Chairman Cross adjourned the meeting at 9:00 P.M. The next regularly scheduled meeting will be Tuesday, July 10, 2007 at 7:00 P.M. in the City Council Chambers.

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Forrest Cross, Vice Chairman

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Kathy Lehr, Secretary



# CITY OF BISHOP

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18 May 2007

Terry Bowyer  
725 West Elm Street  
Bishop, California 93514

Terry:

This is in response to your 19 March 2007 letter about water and sewer rate increases.

First allow me to apologize for the long delay in responding to your letter. Although there is no excuse for the time it has taken to respond, the delay is mostly due to staff mistakenly holding your letter until a regular Water and Sewer Commission meeting was held. As you may know, our meetings are held only every other month and the letter was not presented to the Commission until the meeting earlier this week.

We are very aware of the impact increased water and sewer rates have on the budgets of families and businesses in Bishop, especially families on a fixed income and small businesses trying to make a start. As a result, care is taken setting water and sewer rates at the lowest level possible. The rates must be as low as possible but still allow maintenance and operation costs to be paid and allow for known needed future improvement projects.

I was not present at the February 2004 town hall meeting you mention, and am surprised if it was represented there that rates would be able to go down after 4 or 5 years. The rate studies done at that time recommended larger permanent increases than were instituted by the City Council. The series of increases instituted in 2004 were permanent increases with the caveat that after the last increase, coming up this July, another rate study would be done to determine if rates should be adjusted further. It is possible that additional study could suggest that rates would go down after July 2007, and that may be what was referred to at that 2004 meeting, but given the maintenance and improvement needs of the system and the dramatic upward trend in construction costs, a decrease in rates is unfortunately fairly unlikely.

In addition to being as low as possible, it is important that rates be implemented fairly while providing some relief for those that need it the most. As you probably know, in Bishop low income seniors are offered a 25% discount on their water and sewer rates. In addition customers that are able to pay their water and sewer fees a year in advance receive an additional 5% discount for up to a 30% total discount. More information on these discounts is available at <http://www.ca-bishop.us/PublicWorks/WSRates2007.pdf>. Your suggestion for a discount based

on years on the community will be considered but could pose problems, especially given the number of residents that are new to the community.

Thank you very much for taking the time to comment on City of Bishop water and sewer. Comment and involvement by citizens such as you is important in ensuring the systems are all that they can be and that they are managed effectively and appropriately. Perhaps you would consider attending and participating in City of Bishop Water and Sewer Commission meetings. Bishop Water and Sewer Commission Meetings are the second Tuesday every other month in the Bishop City Council Chambers at 301 West Line Street. Again, I apologize for the delay responding to your letter.

Sincerely,

Clarence Martin, Chairman  
City of Bishop Water and Sewer Commission



**To:** Bishop Water and Sewer Commissioners  
**From:** David Grah, Director of Public Works  
**Subject:** Approach to 2008 Water and Sewer Rate Study  
**Date:** 6 July 2007

**General:**

After the 1 July 2007 water and sewer rate increase, the last of the series of 4 increases, a comprehensive review of those rates is required. Before proceeding with the review, the City of Bishop Water and Sewer Commission directed that an estimate of the cost to accomplish the review using Public Works staff be developed. The purpose of the estimate is to help determine if a consultant should be hired to complete the review or whether it should be done by City staff.

**Background:**

The action taken by the Bishop City Council in 2004 that put in place the series of 4 water and sewer rate increases required that "In 2008 the department will provide a comprehensive [water and sewer rate] review including engineering, capital improvement program and progress toward meeting capital funding programs."

Prior to the rate increases put in place in 2004, a rate study was performed by a consultant to provide basis for the increases. The cost of that study was over \$80,000. As the City approaches the upcoming review, an estimate of the cost to complete that review by City staff could help ensure good value is received.

With the Water and Sewer Master Plans nearing completion and with the information from those plans available for the effort, a review performed by consultant has been estimated to cost about \$20,000. It is important to note costs are uncertain until consultant proposals for the review are received.

Other ways to complete or to complement the review are being pursued such as a free rate review offered by the Rural Community Assistance Corporation (RCAC). We are currently working with RCAC to perform such a review. Unfortunately, given the review is only as in depth as is possible with a free review, it is likely the RCAC review will not be thorough enough to meet the Council's intent for the 2008 rate review. In any event the RCAC review should complement a more thorough review done by consultant or by City staff.

**Cost of Review by City Staff:**

If the review was done by City staff, the following activities, related efforts, and related costs are anticipated. A cost for City staff of \$75 per hour is used, which includes all benefits and a

myriad of overhead costs. This assumes the work is shared by the Public Works Superintendent and the Public Works Director.

| <b>Activity</b>                                   | <b>Hours</b> | <b>\$</b>      |
|---|--------------|----------------|
| Plan effort                                       | 4            | \$300          |
| Review rates of 10 other comparable agencies      | 10 @ 0.5     | \$375          |
| Detailed analysis of Capital Improvement Programs | 12           | \$900          |
| Categorize and prioritize projects                | 24           | \$1,800        |
| Draft report                                      | 16           | \$1,200        |
| Report review                                     | 4            | \$300          |
| Revise report                                     | 8            | \$600          |
| Present report                                    | 4            | \$300          |
| <b>Totals</b>                                     | <b>77</b>    | <b>\$5,775</b> |

**Discussion:**

Although cost estimates are rough, it appears likely the review could be done more cheaply by City staff than by consultant. Other factors that should be considered include:

1. Independent Review: A review completed by consultant would be more clearly independent and un-biased than one completed by staff. Although there is no reason to believe staff would be unable to produce an unbiased review, it is easy to argue that staff are too close to the issues to do a proper review. For instance, in support of imagined ulterior motives some could assume staff are predisposed to produce a review that supports higher fees. Although the cost may be higher, a consultant-prepared review may be more widely accepted.
2. Size of Government: A review completed by consultant is more consistent with keeping the cost of government down by keeping government small. In pursuit of this, a general approach of the City of Bishop is to recruit and retain a highly qualified but small-in-number number City-employed staff, and to accomplish as much work as possible through private firms. There are several advantages to this approach including not keeping full time staff on the public payroll when work slows and to support a more vibrant private sector. In many cases throughout government a strictly dollar per dollar comparison favors completing work by government employee. Still many conclude the advantages of supporting the private sector, including economic advantages, suggest contracting work where possible.
3. Other Priority Work: Completing the review by staff will divert staff from other priority work. This is closely related to the size of government listed issue previously. Public Works is staffed at a low level and the few staff spends a large portion of the time keeping a number of important efforts (many of these efforts are performed by private firm) moving forward, in addition to ongoing duties. There could be significant unintended costs from diverting staff attention from managing these efforts, even if only for a week or so.
4. Data From Other Agencies: A qualified consultant will have the best access to pertinent data from other agencies. Even though the anticipated effort by staff includes significant time polling other agencies about their rates, a consultant that regularly performs rate reviews for comparable agencies will have a much more comprehensive understanding other agencies. Such a consultant would be in an excellent position to review the circumstances of other

agencies and determine how those circumstances might apply, or might not apply, to the City of Bishop.

**Recommendation:**

It is recommended the City of Bishop pursue the 2008 water and sewer rate review by consultant and that a careful evaluation of the pros and cons of contracting for the work be done.

It is recommended that the Water and Sewer Commission, or members of the Commission, be very involved in the entire consultant selection process. The Commission's involvement should be to ensure an appropriate consultant selection process is followed, the best firm identified, a proper scope is developed, a reasonable consultant cost estimate is provided, an updated cost to perform the review by City staff developed, an appropriate final decision made about whether to contract the review or not, and that the best possible review is completed, however it is done.

Finally, it is recommended the information from the RCAC review be used throughout the 2008 review process and, in the event the RCAC is adequate, that review be considered for the 2008 review instead of a review by either City staff or by consultant.



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## **PUBLIC WORKS REPORT** **May, 2007**

### **WATER**

1. Installed three new Mueller Fire Hydrants on Main Street.
2. Began testing Residential Back Flow Valves.
3. Continued with Annual Valve Exercising Program.
4. Made repairs to Sodium Hypochlorite Generator at Well 4.
5. Continued with the Water Master Plan efforts..
6. Took weekly Bacteria Samples.
7. Took monthly readings of all water meters
8. Performed Grounds maintenance at Well 2.

### **.SEWER**

1. Cleaned plugged sewer at the intersection of North Main Street and Yaney Street.
2. Applied Root Killer in the Sewer Main at the 700 Block of West Elm Street.
3. Cleaned weeds and debris from inside the Waste Water Treatment Plant compound.
4. Made routine inspections of Grease Interceptors.
5. Continued with the Waste Water Master Plan efforts.
6. Cleaned Grit Drying Beds.
7. Irrigated the 40 acre Pasture south of the Sewer Ponds.

### **STREETS**

1. Swept all City streets and alleys.



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2. Repaired and or replaced various Street Signs.
3. Patched Potholes on various streets.
4. Removed abandoned 18" Culvert under the Sidewalk on East Pine Street. This work was performed to accommodate new sidewalk construction adjacent to Alta One.
5. Continued annual painting of curbs, streets, and parking lots.
7. Cleaned weeds and debris from all City Parking Lots in preparation of Mule Days Week..
8. Provided weed control on city streets and alleys.
9. Made final revisions to the MacIver Street plans.
10. Held a Public Meeting for Road Project A.

## **MISCELLANEOUS**

1. Assisted Mule Days by providing Traffic Control for the parade.
2. Met with Southern California Edison about Electrical Rates to ensure that we are on the correct plans..
3. Performed maintenance on Sweepers and Light Trucks.
5. Cleaned trash and debris from Shop planters.
6. Provided assistance to the Fire Department with inspections at the Fire Training Tower Construction Project.



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## **PUBLIC WORKS REPORT**

June 2007

### **WATER**

1. Installed four more new Mueller Fire Hydrants on North Main Street.
2. Completed annual Valve exercising program.
3. Installed a new Curb Stop valve and Valve Box at 768 West Pine Street.
4. Verified that all newer fire hydrants have correct nozzles.
5. Took weekly Bacteria Samples.
6. Continued with the Water Master Plan efforts.
7. Took monthly readings of all water meters.
8. Completed testing of Commercial Backflow devices and continue to test Residential Backflow devices.
9. Performed Grounds maintenance at Well 2.
10. Potholed 6" Main line Valve at South and First Streets to prepare for replacement.
11. Inspected construction of Water Mains at the Fire Training Facility.
12. Completed 2007 Consumer Confidence Report.

### **SEWER**

1. Cleaned plugged sewers at the following locations:
  - The 200 block of East Yaney
  - 312 First Street.
2. Added Bioenergizer to Pond 3.
3. Made routine inspections of Grease Interceptors.
4. Cleaned Grit Drying Beds.
5. Irrigated the 40 acre Pasture south of the Sewer Ponds.

## **STREETS**

1. Swept all City streets and alleys.
2. Continued annual painting of city streets and alleys.
3. Repaired and or replaced various Street Signs.
4. Patched Potholes on various streets.
5. Provided Weed control on city streets and alleys.
6. Held more Public meetings to educate citizens about future Road Projects.

## **MISCELLANEOUS**

1. Provided barricades and cones for traffic control during the Bishop High School graduation.
2. Performed maintenance on Sweepers and Light Trucks.
3. Cleaned trash and debris from Shop planters.
4. Installed Bike racks in front of the Bishop Library.
5. Completed 2006 State Annual Mining Report and Financial Assurances for the City of Bishop DG Pit.
6. Hauled off trash and debris from the Fowler Street trash pit.