



# CITY OF BISHOP

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## Minutes

### Water and Sewer Commission Special Meeting

14 September 2010

#### **Call To Order:**

Chairman Cross called the meeting to order at 7:06 P.M.

#### **Pledge of Allegiance:**

The Pledge of Allegiance was led by Chairman Cross

#### **Commissioners Present:**

Cross, Underhill and Bhakta

#### **Commissioners Absent:**

Mathieu and Martin

#### **Others Present:**

Dave Grah, Public Works Director  
Deston Dishion, Public Works Superintendent  
Michele Thomas, Secretary  
Peter Tracy, City Attorney

#### **Public Comment:**

None

#### **Correspondence:**

None

#### **(1) Approval of the Minutes:**

Commissioner Underhill moved to approve the minutes of the July 13, 2010 meeting as written and motion carried.

#### **New Business:**

#### **(2) Water Usage, Charges and Meters**

Peter Tracy, City Attorney, addressed the Commission regarding concerns associated with charging by meters. In September of 1922, Ordinance 101 created the offices of water superintendent and water collector, fixed water rates, established service charges and regulations for governing water service and providing a penalty for violation thereof. Section 6 of this

ordinance stated, 'that no water shall be furnished to any consumer whether for domestic or irrigating purposes, except where the water so furnished is metered'.

In May of 1923, ordinance 103 was passed by the vote of the people of Bishop and then adopted by the Town Trustees (the then City Council), in part, repealing Ordinance 101. Further, Ordinance 103 stated, 'that all water and water system or systems of the Town of Bishop now used, or hereafter used, together with all water mains and supply systems there with shall be for the use and benefit of the people of the Town of Bishop without any charge or expense whatsoever to the people of the Town of Bishop; and no rate shall be established for the use of said water and water system, or meters used in connection with said water or water system.' Because Ordinance 103 is special in that it was voted by the people of Bishop and not just the City Council, it can only be changed in two circumstances. The first circumstance is by another vote of the people and the second is if the ordinance is found to be inconsistent with state or federal law.

In the 1980's, the state began requiring water providers such as the city to charge water customers by meters or by a flat rate system. This appeared to make provisions of Ordinance 103 inconsistent with state law. In response to the state requirements the City Council passed Ordinance 445 in February 1987 which provides flat fee charges for water line maintenance and water plant operation. Ordinance 445 does not charge for the usage itself, only for the water system. Charging for the water system is inconsistent with Ordinance 103 but consistent with state law and state law over rides city ordinances. In May 1987, the Superior Court of California validated Ordinance 445, which, from a legal perspective, clearly addressed any inconsistencies between Ordinance 445 and Ordinance 103.

Tracy stated that even though Ordinance 445 and the court over rode parts of Ordinance 103, Ordinance 103's prohibition of charging for water consumption and by water meters probably still applies today. This could make using water meters in the City of Bishop problematic.

Cross questioned how this could be true if there was state law that superseded Ordinance 103. Tracy said state law did not supersede Ordinance 103, state law required the city to charge enough money to pay for the cost of the system by charging for water or for the cost of the system. The city chose to charge for the system. The only ways to clarify that charging by use is allowed in the City of Bishop is by a vote of the people or a determination that being able to charge for use is required under state law.

### **Old Business:**

#### **(3) Rebate program update including savings value**

The City of Bishop is offering a water conservation incentive program with \$5000 for each of the 2010/2011 and 2011/2012 fiscal years. Currently we are offering free hose nozzles, hose timers and irrigation timers. We also will give a rebate for purchasing and installing water conserving fixtures and appliances such as toilets, washing machines and dishwashers.

The direct electricity savings were expected to pay for the program and other savings related to the overall system were expected to add to the electricity savings. The analysis showed that practically speaking, the incentive program cannot be justified on electricity savings alone. It

showed it would take 68 years for the electricity savings to equal the \$5000 expenditure on the program this year. It is worth noting that when all the other water system costs are included, it takes about 3.6 years for savings to accumulate and equal the expenditure on the program.

Since the program began in the middle of August, we have had five property owners/residents come in to pick up a free item. We also received a request from someone outside city limits. Grah will do another news release in October to inform customers within city limits again of the program.

As the program progresses through its first year, it will be evaluated so that adjustments can be made or questions about whether it should continue into future fiscal years evaluated. Cross added that we may want to include free backflow devices and sprinkler system rebates to help encourage customers to take advantage of the program at the same time conserving water.

#### **(4) Meter Readings**

The City of Bishop has close to 80 water meters installed within City limits at different businesses and residences. The current readings were taken during the hottest months of the year. Local schools show a high water usage. Students are not in attendance during this time but the grass fields are irrigated. Kmart shows to still use excessive water and it has been noted that their sprinklers water their parking lots.

#### **(5) Cash balance and revenue & expenditures update on water and sewer reserves**

From last year, the water balance is lower and the sewer balance is higher. There are projects coming up this fiscal year that will be significant expenditures. The May, Willow, North Third Streets water project will begin in October, the SCADA project sometime during the fiscal year, the Head Works project starts next week, and Project A will start in the middle of the fiscal year.

During the month of July, both cash balances increased notably due to customers pre-paying their water sewer bill for the year to receive a 5% discount.

#### **(6) Public Works reports for July and August**

During the month of July, most of our water work was routine. Crew members Dave Mappus and Devon Smith performed the annual testing of back flow valves, many of which failed and will need to be repaired by the property owners. Bids were opened and rejected for the May, Willow, North Third Water Improvement project due to minor issues. Information was provided to the City Attorney regarding stop notices from the Hanby water line project. For sewer work in July, Granite Construction completed the new sewer main under Hanby Avenue and installed new laterals to all properties on that street. The crew cleaned the trunk sewer under the Bishop Creek Canal that was plugged with grease. Routine inspections of grease interceptors were done. We are working with local restaurants to improve grease interceptors to help eliminate excessive grease blocking the City sewer lines.

In August, water work included a news release regarding planned valve box installation efforts. Grah and Dishion continued work with Ecologic on the upcoming SCADA project. The City is very close to putting up towers at the Shop and wells and hopes to have this done in the next couple months. Supervisor Mike McDermott took lead and copper samples required by the state

to be taken every three years. The May, Willow, and North Third Streets Water Improvements Project was re-advertised and awarded to Marzano & Sons out of June Lake. Sewer work involved the removal and replacement of 2 of the 4 valves in the sludge drying beds. The remaining 2 will be replaced next month. A new sewer lateral was installed at 515 West Elm Street. We now have a new lessee, Roy Booth, on our 40 Acres near the sewer plant which has been able to free our crew from irrigating and farming the area. Public Works crew helped the Tri-County Fairgrounds prepare for the upcoming fair by cleaning sewer mains and sweeping the parking lot.

**Staff and Commission Reports:**

Grah commented that our auditor stated that the City needs to have the water and sewer systems appraised. Cost estimates would be between \$10,000 and \$20,000. At their 13 September meeting, City Council approved an RFP to advertise for this. After looking at policies with the Gatsby 34 Government Accounting Standards, we may be able to do the appraisal ourselves at a much lower cost. The City is currently working on an RFP for a new storage tank; this will be our largest water project since the last tank was completed. Grah shared a chart he created to show our water revenue from five of the largest categories; residential, commercial, hotels, restaurants and schools. The chart will be used to compare revenue and consumption.

**Items to Be Discussed at the Meeting of 9 November September 2010:**

- Ed Morris presentation
- Discuss March 2011 meeting date
- Discuss possible joint meeting with City Council regarding water usage charging
- Rebate program update
- Meter readings
- Cash balance and revenue and expenditures update on water and sewer reserves

Chairman Cross adjourned the meeting at 8:17 P.M. The next regularly scheduled meeting will be Tuesday, 9 November 2010 at 7:00 P.M. in the City Council Chambers.

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Forrest Cross, Chairman

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Michele Thomas, Secretary