



CITY OF BISHOP

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Minutes

Water and Sewer Commission

14 May 2013

(1) Call to Order

Chairman Pecsí called the meeting to order at 7:04 P.M.

(2) Pledge of Allegiance

The Pledge of Allegiance was led by Chairman Pecsí.

(3) Roll Call

Commissioners Present:

Mathieu, Pecsí, Cross, Martin and Bhakta

Commissioners Absent:

None

Others Present:

David Grah, Public Works Director

Deston Dishion, Public Works Superintendent

Michele Thomas, Public Works Secretary

(4) Public Comment

Ken Lloyd, representing the Lions Club, asked the commission to look into the account for the Boys Scouts and reconsider how they charge the property. Robin Hansen, owner of Shady Rest Trailer Park, asked that the commission pass on information to the consultant he had given to staff some time ago regarding his concerns on how his trailer park is charged. Thomas confirmed that the information has been noted and will be brought to the consultant's attention for review. David Bhakta, owner of Holiday Inn Express, offered his assistance in helping with the rate study. Gary Colbert, multiple property owner, commented on graphs shown at the workshop prior to tonight's meeting regarding the usage compared to the charge of multi-units. He asked that this information be looked at during the rate study. The previous four persons commenting during the public comment period thanked staff and the commission for holding the workshop that took place prior to tonight's commission meeting. Mike Allen, Allen Outdoor Sierra Saddler, does not feel it is fair he pays for sewer when he doesn't use the city sewer, he has a septic tank. He states that staff has said that because the sewer is available to him whether he uses it or not, he is to be charged.

(5) Correspondence

Letter from Dave Grah to Hotel Owners dated 24 April 2013 regarding swimming pool maintenance.

(6) Approval of the Minutes

Chairman Peci moved to approve the minutes of the 12 March 2013 meeting as written and motion carried.

(7) Water Conservation

To date, the city has given out 20 rebate offerings for the current fiscal. Staff attended the Earth Day Celebration 20 April and handed out brochures and free water bottles advertising the program. No one has come into City Hall from receiving information at the celebration. The program will continue for the 2013-2014 fiscal year with a budget of \$2000.00. Staff will continue to periodically send out news releases to local media to keep the public aware of the program offered by the city.

(8) Rate Study

Due to performance issues, staff proposes to terminate the contract with the current consultant, Willdan. Staff then proposes to enter a new focused contract with Sustainable Resource Engineering (SRE), the second place consultant from the original interviews. SRE has stated they could still meet the overall schedule for the 2013 Rate Study.

Grah explained that this is an embarrassing situation for the city and staff. The situation represents a failure of our consultant, but it also represents a failure of city staff to manage the consultant. One thing to keep in mind is that the water and sewer funds are both financially healthy. Our goal is to make rates fairer for our customers.

Grah continued saying that there was concern when the 2008 study was done that we were using state national standards and not any of Bishop data. Public Works staff has installed meters to supplement the information that is available to the consultant with real live Bishop data. As was discussed in the workshop meeting, it is a small sample size, yet it is some Bishop data we can use.

Willdan was chosen because they seemed to be the best firm for the work and seemed they could bring many resources to bear to the effort. However, one of the first issues was the turnover of key staff involved in the effort. Willdan also offered a cost model; essentially they had a very highly developed model that they could plug in various parameters from the City of Bishop and estimate costs. City staff felt comfortable with the cost projection method that was developed for the 2008 rate study. Staff wanted to spend less time estimating cost and more time working on the fairness of the user categories. Staff had to make this approach clear as we moved into contract negotiations with Willdan; that we weren't as interested in their model as we were interested in them taking a look at the data we had and trying to make improvements to EDU factors to the various categories.

Possibly due to the turn over at Willdan, it was difficult to get updates from them. Staff tried to get weekly updates by teleconference. It seemed that with every discussion between city staff and Willdan, the same issues would have to be discussed: that we were not looking for an estimate of cost; we were looking at fairness and wanted them to focus on fairness. After a teleconference, we would not receive anything in writing and at the next discussion we would end up having the same discussion as the time prior. Along the way, they would reassure us that

they understood that we were asking for them to work on equity. They stated they could deliver and it seemed they had the resources to make it all happen.

As time went on, a workshop was scheduled and letters needed to go out to the rate payers. With the deadline approaching, staff was nervous whether Willdan would deliver or not, but they assured us they could, so we sent out the letters for the workshop the beginning of May. We had the intention to pass on information to the commission as it came from the consultant as they delivered it. We finally got to the point that it was too late to deliver what was needed in time of the public workshop meeting. The last update from Willdan came in the 2nd or 3rd of May and we told them verbally that we needed something in writing no later than the following Wednesday because of the scheduled workshop the following week. Wednesday came and went and we received nothing by the time City Hall closed at 4:30 p.m. At 5:01 p.m., Grah sent an email to Willdan telling them to stop work and should anticipate that we will be terminating the contract and take a new approach. The next day, it was shown that an email came in at 5:02 p.m. from Willdan. What was provided with the email was not useful to share with either the public or the commission.

City staff developed a focus scope which is very clear that we want to take the existing EDU factors and consider state and national factors. But we also want the consultant to look at the existing meter readings and to try to make improvements to the EDUs. Staff discussed this approach with SRE and they indicate they can meet the existing schedule, and for possibly less than their original proposal of around \$30,000.00.

Grah and other city staff feel the right thing to do would be to cut our losses with Willdan, enter a contract with SRE, and to complete this more focused study in improving the equity. A contract could be presented to the City Council at their 28 May meeting and SRE could begin work immediately. The commissioners present at the public workshop this evening heard that there was a lot of interest in additional public workshops. And we could possibly schedule one around the July commission meeting with the consultant present. Grah believes it would still be possible to have recommendations to the council by the second council meeting in September. The rest of the schedule could stay the same as well with council approving the new rates in October. The rate hearing would be in early December, and any rate adjustments would go into place July 2014.

Cross asked if staff has received legal counsel regarding terminating the contract with Willdan. Grah stated that they have not, and the contract does state that a lack of performance is grounds for termination.

Pecsi agrees that the contract with Willdan should be terminated. Pecsi asked if the timeline could be moved if necessary to make sure there is enough time to get the correct work for the study. Grah said that it could be moved if necessary. Grah feels that at this time, it would be best to get the new consultant on board, have them provide information to staff to be passed onto the commission, and everyone decides together if we are on the right track or if we should expand the study for more information and extend the timeline.

Martin asked if staff feels as confident with SRE that they did about Willdan. Grah said that he is confident with the new consultant. SRE is a much smaller firm than Willdan, only two full-time employees. Grah also shared that with his prior experience with larger firms, he has noticed

issues with keeping staff on projects and they also have a difficult time listening to our needs. With smaller firms, they seem to keep good staff and they listen better.

David Bhakta, Holiday Inn Express, asked the commission if it would be a better idea to hold off another year and gather more information for the rate study.

Pesci made a motion to move ahead and make a recommendation to the City Council to terminate the contract with Willdan and hire a new consultant for the 2013 Rate Study, and also that the timeline be adjustable if necessary.

Ayes: Pesci, Mathieu, Martin, Bhakta and Cross

MOTION CARRIED: 5-0

Pesci went on to say that this rate study is about equity and fairness. To adjust accordingly, some category rates may go up and others go down. Pesci stated that with some of the concerns brought up at the workshop this evening, we may need to add more categories to make rates fairer and not group so many places together. Dishion said that he heard at the workshop from the rate payers are that we don't have a big enough water sample size to know what the true water usage average is. He wants to know how we are to come up with a better number. Dishion added that putting in more meters would be a huge expense. Dave added that the focus scope he created for the consultant consists of the existing factors, state national averages, and our meter readings. He believes we should move forward with the scope and adjust it as needed. Mathieu also commented that she feels the last study conducted in 2008 was very involved and every aspect was looked into. She doesn't understand how we compare residential usage with various numbers of toilets to a motel. Mathieu remembers that with the last study rates were based off of an EDU. She also stated that commercial businesses have a means to recover a part of their fees and the home owner doesn't. Pesci asked what the cost is to put a meter on a residence. Dishion stated that the cost for a 1 inch meter is around \$100 plus about an hour up to half a day of man time to install, adding up to \$800 - \$1000 plus the cost to read each month. Pesci asked how we came up with the average gallon per day usage of water per person. Dishion answered that it is based off the production of usage at the wells. Taking the population and dividing it by the usage and it is only an average. It is not accurate because of motels and other types of businesses.

(9) Meter Readings

Martin asked if there is any sort of water conservation information that could be passed on to the students at Home Street Middle School because of the high water usage. Dishion said that the high usage is due to irrigation during the summer months. During the winter months, usage is low so it is not high due to the students. Dishion added that he has spoken to the person who takes care of the lawns at the school. He was told that due to the high foot traffic on the grass it takes a lot of water to keep it alive and green. Meter readings are for informational purposes only. The city does not charge by meters at this time.

(10) Cash balances and revenue and expenditures update

Sewer expenditures the last few months have matched revenue. Water balances continue to be healthy. Staff will be going to City Council to advertise the Positive Pressure Improvements Project, aka Tank Project, at the 28 May meeting. This will be a fairly high expenditure. We are

close to the end of the Clarke Street Project at a cost of \$300,000.00. During the month of July, revenue is high from customers paying for the year.

(11) Public Works reports March and April

Pecsi asked if the project going on that has been tearing up the streets recently was part of Digital 395 and how the streets will be repaired. Dishion stated that the company will bring in a small scale grinder and grind one foot wider and longer than the present holes and patch with a better permanent patching. The warranty on the patch work is for 10 years.

(12) Staff and Commission reports

Thomas shared with the commission that as of 3 May, the city now accepts credit/debit card payments. Thomas gave each commissioner a brochure that is kept on the Public Works office counter regarding the incentive program. The brochures were handed out at the Earth Day celebration. She also added that the new website should be up and running in June.

Pecsi thanked Grah for facilitating the rate study workshop earlier this evening. From the input by attendees of the workshop, Pecsi feels there should be a second workshop once we have a new consultant hired and there is information to provide to the public.

Items to be Discussed at the Meeting of 9 July 2013:

- Rate Study
- Meter readings
- Public Works reports for May and June
- Cash balance and revenue and expenditures update on water and sewer reserves

(13) Adjournment

Chairman Pecsi adjourned the meeting at 8:06 P.M. The next regularly scheduled meeting will be Tuesday, 9 July 2013 at 7:00 P.M. in the City Council Chambers.

Joe Pecsi, Chairman

Michele Thomas, Secretary