



CITY OF BISHOP

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Minutes

Water and Sewer Commission

9 July 2013

(1) Call to Order

Chairman Pecsí called the meeting to order at 7:02 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
Kate Nelson, Sustainable Resource Engineering, Rate Study Consultant
Bhakta?

(4) Public Comment

None

(5) Approval of the Minutes

Vice Chairman Cross moved to approve the minutes of the 14 May 2013 meeting as written and motion carried.

(6) Rate Study

Grah introduced Kate Nelson of Sustainable Resource Engineering, the recently hired consultant for the 2013 Rate Study. Grah stated that the schedule for the rate study is very important and that staff would like to be in a position to implement any rate adjustments in July 2014. A formal public hearing is hoped to be scheduled in December 2013. The focus of the study is equity. Both water and sewer are in fair shape financially, but staff and the commission regularly hear from rate payers that the rates are not fair. Nelson has been asked to review the current user categories to make adjustments by adding, deleting, and/or refining as necessary. Then to adjust the EDU factors that go along with each category. The EDU factor is how the fees charged to the various categories relate back to a single family residence; a single EDU.

Nelson stated that it has been determined that the existing categories need some fine tuning. After reviewing the current categories, she and staff have created some new and some consolidated categories which are only the first proposal to the commission.

Nelson went over her potential spreadsheet showing the current and proposed EDU factors adding and combining different user categories. For Single Family Resident, she came up with three categories dividing them by their lot size. For Multiple Family Residence, she put them into two categories, apartments and trailer parks. An irrigation factor was added to various categories that may have large landscaped yards.

Pecsi questioned how the rates would be determined for Fairgrounds changing from 7 EDUs to .008 per attendee and how we would know the attendee count. Nelson was thinking that it could be accounted for from the different events the fairgrounds hold and each building capacity or by ticket sales. She also said that she and staff were discussing earlier today Fairgrounds and Recreation Hall categories which are proposed to be charged by attendee, and how it may not be an accurate way to charge for these.

Pecsi then brought up Gas Stations and how Ken Sample, owner of a local gas station in town, has brought to the commission his concerns of not being charged fairly. Grah said that staff and Nelson talked about Gas Stations today and city staff would like to review how the 2008 Rate Study came up with the higher sewer charge for them along with hotels and figure out if it is justifiable to continue charging them as we do now.

Cross asked if the water factor proposed to be charged to Brewery at .09 per barrels is correct because a past spreadsheet from Grah used .9. Nelson explained that .09 is closer to what could be the correct figure and she with staff are still working on this category. Mathieu asked if Cross had a chance to find out how Mammoth Brewery is charged. Cross said he has not, but because the brewery is metered with the restaurant it may be difficult to separate the two. Nelson added that she spoke to an employee at Mammoth Brewery who told her it takes 10 gallons of water to produce one gallon of beer. The brewery Mammoth Brewery is looking into building in Bishop would hopefully use 6 gallons of water per one gallon of beer.

Grah brought up General Commercial category and with the decrease from 1 to .4 per toilet, this is approximately a \$3.00 - \$4.00 monthly impact to a single family residence. Cross agrees that general commercial accounts should be charged less than a single family home because there aren't other water appliances used like a house has.

Grah explained that there are fixed cost for both water and sewer regardless of water usage. Water is about 85% and sewer is about 94%. The fixed cost represents fire demand and having the systems available. The accounts that may not use much water, such as a commercial building, could have a high fire demand. Most of the investment into the system is to provide fire protection. Cross reiterated that he still feels there are commercial accounts that should be charged less than one EDU. Dishion brought up the commercial accounts that are charged per toilet and have large irrigation areas and possibly use a lot of water.

Pecsi brought up why there are sewer charges for the irrigation factor. Pecsi also commented that he likes the idea of separating the Multiple Family Residence with apartments and then

trailer parks. Nelson first commented about the multi family category stating with the meter readings the city has available, the apartments and condominiums didn't use as much irrigation water as a trailer park. Regarding the irrigation factor, the cost will only be for water. On the spreadsheet provided to the commission, the sewer EDU factor for single family will change down to 1 because irrigation doesn't affect the sewer.

Mathieu does not feel the city should add an irrigation factor charge to residential customers. Nelson tried to explain that adding an irrigation factor to larger sized lots helps to charge residential customers more equally for water usage. A larger lot likely has more areas to irrigate, and during the summer months, water usage is higher because of landscaping factors. Peci then added that the city is not allowed to charge for water and wonders how this would be acceptable. Cross stated that we are not actually charging for water, but the cost for the electricity and other resources to supply the additional water. Mathieu added that she doesn't feel the city should try to nickel and dime every resident for more money. Grah emphasized that the focus of this study is not to generate more money but to distribute the cost more equitably.

David Bhakta, owner of Holiday Inn Express, asked how the irrigation factor is based. He is concerned that if it is determined by lot size rather than irrigation area size, it discourages businesses to landscape their properties. Bhakta added that businesses that spend money beautifying their properties may be discouraged if charged with additional fees. Nelson believes staff has the information to determine how much there is of landscaped area per lot. Martin verified with staff that what we are billing for is the cost to provide the service not the cost of the actual water. Grah concurred and again stated that this rate study is not to increase revenue but to take the city cost and distribute them equitably. Grah added that we do not have to go through a rate study process. And if it is too difficult, we are comfortable where we are, and we are alright saying this is the best we can do, it would be ok. Grah would though like to review the two user categories that had a high sewer increase during the 2008 study. Grah suggested we move forward and see what adjustments SRE comes up with and the commission to decide if a recommendation should be made to council. Dishion made the comment that the irrigation factor Nelson has come up with is not to increase cost but to use the meter readings we have that show certain accounts with large amounts of landscaping do use more water. And then to make the cost more equitable, charge accounts an irrigation factor. Cross said that he feels it is not fair that he has a very small yard at his property, yet pays the exact same cost as a home owner of a property with a landscaped yard five times larger.

Cross questioned whether the city, not having meters, would be able to apply for certain grants using irrigation factors. Grah stated that his understanding from talking with the United States Department of Agriculture (USDA) regarding grants for the city, our sewer rates are too low. The minimum number that has to be charged is about \$30 a month per single family residence. If below, USDA believes the city is not financially viable and so not eligible for loans or grants. With water, one rating criteria is meters and there doesn't seem to be a substitute for a meter. Mathieu asked if they would take into consideration the agreement the city has from 1904 that we won't charge for water. Grah explained that USDA is looking for the best recipients for the grants and because the City of Bishop, for whatever the reason, doesn't have meters, we would not be a good recipient. Mathieu would like staff to try again, explaining our water rights to USDA, in hopes to receive future grant monies. Dishion added that at a recent water conference he and Grah attended, it was stated meters must be installed to receive grant money. Dishion also said that California's main concern is water conservation, and by 2020, the city will need to

cut water usage by 20%. Commissioner Bhakta asked how the city is expecting to cut water usage by 20%. Grah suggested that with the conservation program the city offers and help from the commission and council to promote water conservation, we will hopefully be able to reduce the high water usage we are at presently. Dishion shared that 12 years ago when he was in charge of writing the water report, consumption was at 800,000 million gallons a year and it is down currently to around 500,000 million a year. This may suggest the conservation programs the city offers do help.

Grah stated that the rate study schedule has been important and is open for discussion. Staff has tentatively set a public meeting for 23 July to present the initial ideas from tonight's meeting. If we hold the meeting, typically staff advertises through news releases. Although, we don't seem to get as much response as we do when we send out individual letters like we did with the last public meeting. A lot of staff time goes into sending out individual letters and the cost is over \$1,500.00. Grah asked the commission for their suggestions with the tentative date being two weeks away, it will not be easy to meet the deadline to get out over 1500 letters and should the meeting be rescheduled or possibly only advertise through news releases. Thomas also said that two separate news releases could go out advertising the meeting, one for Saturday and another closer to the meeting. Inyo Register is always looking for articles to write and possibly they could do a write up for the paper. Pecsí would like mailers to be sent out like last time since we had a good turnout at the past public meeting. Pecsí added that he is not comfortable at this time, though, with what information staff and the consultant have on the rate study to present to the public.

The commission and staff agree that discussion will continue until the September meeting regarding the study. Staff and Nelson will continue working on the study and present new findings at the 10 September Water Sewer Commission meeting prior to scheduling a second public meeting.

(7) Meter Readings

Meters are for informational use only.

(8) Cash balances and revenue and expenditures update

Grah stated that the balance sheets are complete for the 2012-2013 fiscal year and new ones will begin in July.

(9) Public Works reports May and June

Pecsí asked how staff had dealt with Jack's Restaurant, Schat's Bakery, and Las Palmas Restaurant with their grease problems. Dishion said that Erik Schat is working great with the city and is in the process of fixing their problems. Crew will video Las Palmas and Jacks again in the next week or so and see if there are still any problems. Pecsí asked if the city has any regulations regarding grease issues. Dishion stated that there is a city ordinance or resolution against the discharge of grease into the city sewer system. At this time though, we do not have any fees that can occur as a fine if we discover there is an issue. Mathieu asked if staff and the commission could make a recommendation to the City Council to develop a sewer fee for these sorts of issues when the crew has to clean the sewer lines due to excessive grease. This subject will be on the September's agenda.

Pecsi inquired about the trunk line replacement project. Grah stated that project is going well. Staff recently made a decision on how to cross the ESCSD line and is working with the district. Also, the consultant on the project stated that we should receive an updated report and plans in the next week.

Dishion also mentioned that in June, crew installed two locking curb stop valves at residential homes that have repeatedly received shut off notices due to nonpayment. One resident had their water shut off and would go out and turn it back on himself prior to paying.

(10) Staff and Commission reports

Grah asked the commission how they felt about giving relief to the Boy Scouts on their water sewer fees. The city currently offers a low income senior discount which the general fund offsets. If there were any other type of reliefs given to certain organizations, the general fund would need to offset those fees as well. Pecsi also stated that the Lion's Club is who pays the Boy Scouts fees and when Ken Lloyd came to a past commission meeting asking for relief it is actually for the Lion's Club not the Boy Scouts. Dishion also brought up the school farm and how the Jarvis family pays for the farm to have water.

Grah stated that they are still waiting on submittals from the contractor for the Grit Collection System. This project is part of the Headworks Project.

As part of a meeting today with ESCSD, there has been interest from staff, council, and the district to work more closely with the district. We are looking at ways we together can cooperate, share flow in various places through the system, or even joint operation. Council recently approved for the city to clean their digesters at the same time the district is cleaning theirs and this saved us \$7,000.00.

City Council recently awarded the contract for the Positive Pressure Improvements Project, aka the Tank Project. Work is expected to begin in September.

Items to be Discussed at the Meeting of 10 September 2013:

- Rate Study
- Discharge of grease charges and fees
- Meter readings
- Public Works reports for July and August
- Cash balance and revenue and expenditures update on water and sewer reserves

(13) Adjournment

Chairman Pecsi adjourned the meeting at 8:34 P.M. The next regularly scheduled meeting will be Tuesday, 10 September 2013 at 7:00 P.M. in the City Council Chambers.

Joe Pecsi, Chairman

Michele Thomas, Secretary