



CITY OF BISHOP

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Minutes

Water and Sewer Commission

13 November 2013

(1) Call to Order

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

(2) Pledge of Allegiance

The Pledge of Allegiance was led by Chairman Pecsí.

(3) Roll Call

Commissioners Present:

Cross, Martin, Mathieu and Pecsí

Commissioners Absent:

Bhakta

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

(4) Public Comment

Glenn Arndal, property owner at 257 East Elm Street, wanted to make sure the city is billing accounts properly. Thomas explained that in 2008, each commercial account was audited to verify they were charged correctly; for example, by the correct number of toilets, hotel rooms, or seats. Dishion stated that in 2002 or 2003 there was a similar audit for residential properties. Arndal explained that there are rumors that some accounts are not being charged correctly. Mathieu asked Arndal if the rumors he may be referring to are regarding certain property owners who have not paid their water sewer bills and the accounts are now delinquent. Mathieu added that in the past, liens would be placed on delinquent accounts but recently this issue has been resolved. Thomas explained that the city now shuts off residential properties that are delinquent and does not have to lien properties anymore. Arndal stated that he feels better knowing the audits have been done and that the rumor of accounts not paying has been resolved. It was suggested that the city may want to consider in the near future doing audits again for all accounts.

(5) Approval of the Minutes

Vice Chairman Cross moved to approve the minutes of the 10 September 2013 meeting as written and motion carried.

(6) Correspondence

Mike Johnston of 667 Schley Street emailed Public Works asking the city to consider charging residential properties by bedroom count. Johnston feels this would be a more equal rate structure because it reflects how many occupants could live at a home and use water. Martin commented that water and sewer fees are for providing service not for usage.

The Bishop Lions Club sent in a request asking the city to reconsider fairness for the Boy Scouts building at 420 West Line Street. The Lions Club pays the water and sewer for the Boy Scouts. The Lions Club states the building is used about 4-5 times a month for only a couple hours each time. At the May commission meeting this year, Ken Lloyd of the Lions Club spoke to the commission asking for a discount for this property. At the September commission meeting, it was said that these sorts of requests could be considered on their own merit. Grah added that if any sort of discounts were to be given, they could be considered gifts of public funds and should be taken to council for approval and possibly the city attorney. Pecsí asked if there are other discounts offered currently. Thomas stated that there is a low income senior discount that the General Fund must offset. The commission agreed it may be best to deal with these sorts of requests on a case-by-case basis. Pecsí suggested this topic be put on the next council budget retreat agenda and to get some input from the council as well.

Pecsí asked Grah to respond to Mr. Johnston and Bishop Lions Club regarding their letters the city received. Grah stated he would respond to the first one and tentatively to the second.

(7) Rate Study

Pecsí explained that he asked Grah to prepare a spreadsheet showing yearly costs for each category. Pecsí is wondering if this spreadsheet should be included in the rate study report to give a better overview of how much the increase will be each year. Pecsí added that another column could be added to show the 5% discount for those who pay for the year in July.

Since Pecsí was absent at the last meeting, Pecsí asked Cross if he is satisfied that the issues brought up at the September meeting have been addressed. Cross believes everything has been resolved from the last meeting and he added that there has not been any additional public comment. Martin and Mathieu stated they too feel comfortable with everything being resolved. Pecsí asked Thomas if the issues she brought up at the last meeting have been responded to and she stated they have been.

Martin asked Grah if there is a preliminary budget for the 2014-2015, does it reflect the new proposed rates, and are the costs of both systems covered. Grah said yes and in addition explained that the new rates were developed by taking the total cost for water and sewer of upcoming budgets and dividing by EDUs. Both water and sewer will remain healthy if we move forward with these rates.

Pecsí asked how the 5% discount for paying yearly was initially established. Grah believes it has been in place for a long time. It is also in the municipal code. When accounts are paid yearly, it saves a lot of staff time each month by not having to send out and input as many bills and payments. Pecsí would like to know what the commission thinks about increasing the discount amount to 7% to help offset the average 2% yearly rate increases from 2014-2018 if account holders take advantage of the discount. Nelson commented that if there is an increase of more

bill payers taking advantage of the discount, the rates may need to be adjusted because the revenue would be lower each year. Pecsí asked what the percentage of accounts pay annually. Thomas said that approximately 40% are paid yearly. Martin added that if more accounts are paid yearly by increasing the discount, there could be an impact with revenues. Pecsí said that he thinks the council is going to receive a lot of grief from the public with any rate increases. Grah and Thomas brought up that from the last public meeting and with the last public notice sent out the city has not had much of any negative comments received.

Martin has a concern to whether the 2% approximate rate increases each year will be enough to cover increases to operating costs. Martin added that he wouldn't want to have a dramatic rate increase the sixth year because our expenditures increase more than anticipated. Grah said that the city and the commission would not have to wait the five years of the rate study to make adjustments to the rates if costs increase or even decrease. Grah also said that Nelson believes our cost will be increasing between 3% - 5%, which is more than they have been in recent years. The 2% rate increase seemed to be a happy medium between no increase and Nelson's suggested percentage.

Grah ended the discussion by going over his key bullet points from his memo.

Pecsí made a motion that the commission has reviewed the information, looked at the technical memorandum, recommended escalation strategy, reviewed the draft public hearing notice and policy of not charging municipal customers, discussed the strategy for responding to requests for relief from fees from customers, and have asked Cross to represent the commission at the 25 November City Council meeting and present the recommendations as stated here tonight.

Motion Approved: 4-0

(8) Meter Readings

Meters are for informational use only.

(9) Cash balances and revenue and expenditures update

Grah mentioned that the sewer capital expenditures were due to the Sludge Transfer project. The balance will begin to increase as we save up for the Trunk Line Project projected at \$720,000.00. We continue discussion with Eastern Sierra Community Sewer District, who has interested in the Trunk Line Project, and it is hopeful they may be contributing to the project. There have been substantial capital expenditures in water that are related to the Positive Pressure Improvements Project. The tank is now built and waiting to be painted and sanitized before being put into place.

(10) Staff and Commission reports

Pecsí commented that he noticed Schat's Bakkerly has been doing work on their grease trap. Pecsí also brought up from the previous meeting regarding Cross' recommendation to give restaurant owners 60-90 days to comply with grease trap repairs. Pecsí asked staff what the status was with developing an ordinance. Dishion explained that we are able to work with current fees already established in our fee schedule for actual time. Dishion added that Las Palmas has put in a new interceptor, Schat's is in the process, and Jack's has stated they will be putting in an additional one. There is only one business left that still needs to comply. Thomas also stated that staff has discussed sending out a courtesy notice to all restaurants to let them

know about the fees for not complying. Pecsí would like staff to move forward with any restaurants that have known issues that have not made progress to fix the problem.

Pecsí asked if the Ford dealership got involved with the Wye Road Construction project to have their sewer line built. Grah stated they have been and still are connected to the City's sewer line.

Dishion added from Grah's earlier comment that the tank is welded together and ready to go after it gets painted. Sludge Automation on SCADA is complete. We have received more parts for the Headworks project.

Dishion shared that staff has been working to develop joint coordination-cooperative meetings with Eastern Sierra Community Service District. There is now a consultant working with both of us. At a meeting last week with the District and the consultant, three ideas were discussed, one being inter-connection. Second was regarding Nitrates, and third regarding irrigating pastures.

Pecsí thanked Nelson and staff for all the work completed on the rate study.

Items to be Discussed at the Meeting of 14 January 2014:

- Rate Study
- Meter readings
- Public Works reports for September, October, November, December
- Cash balance and revenue and expenditures update on water and sewer reserves

(12) Adjournment

Chairman Pecsí adjourned the meeting at 8:17 P.M. The next regularly scheduled meeting will be Tuesday, 14 January 2014 at 7:00 P.M. in the City Council Chambers.

Joe Pecsí, Chairman

Michele Thomas, Secretary