

CITY OF BISHOP
MINUTES OF JOINT MEETING
CITY COUNCIL / WATER AND SEWER COMMISSION
March 24, 2008

CALL TO ORDER Mayor Connolly called the joint meeting of the City Council and Water and Sewer Commission to order at 5:30 p.m.

COUNCIL PRESENT Griffiths, Crom, Dishion, Cullen, Connolly

COMMISSIONERS PRESENT Cross, Bhakta, Martin

MEMBERS ABSENT Mathieu, Underhill

OTHERS PRESENT Richard Pucci, City Administrator
Denise Gillespie, Assistant City Clerk
David Grah, Public Works Director
Kathy Lehr, Commission Secretary

DISCUSSION RELATING TO WATER AND SEWER STUDY REQUIRED IN 2008 – Pursuant to Resolution No. 07-11 Fees and Charges Schedule

Staff reported this meeting was scheduled to discuss the possibility of conducting a new water and sewer rate study as set forth in Resolution No. 07-11 relating to fees and charges for City services.

Public Works Director Dave Grah reviewed the topics that need to be addressed relating to the study:

1. Confirm that a rate study is desirable and something that the Commission and Council want to see through as provided in the resolution.
2. If a rate study is done, how should it be accomplished? City staff or contract out?
3. If contracted out, how much should be spent to do the work?

Commissioner Chairman Martin stated it was the consensus of the Commission that once the Water and Sewer Master Plans were completed, a new rate study should be done and completed by a consultant. It was felt the time needed to conduct the study would take too much of the city staff's time from other duties.

Some Council Members felt strongly that the City should not spend as much for the second rate study as the first one done by Boyle Engineering five years ago for \$85,000.

Councilmember Crom questioned the need for a new study as the City is working off information provided in the last one

done five years earlier. He recommended a minor increase of \$1.00-\$2.00 a month to keep up with inflation as we are still under-funded.

The Director reported that the water account is more financially healthy than the sewer account and suggested a new rate study and, with experience gained over the past few years, it puts the Department in a position to make some adjustments up or down for water and sewer. Inflation adjustments could be considered in the future. This is where a consultant would be helpful.

Councilmember Dishion questioned the inequity of raising all rates when there are accounts like Kmart and the hospital that use a lot of water.

Grah stated the inequity issue comes under discussion at many of the Commission meetings. Meters would be helpful in the longer term though expensive to install. Currently there is no system in place for billing metered water.

Mayor Connolly stated he felt installing meters would be expensive and a mistake except for businesses such as laundromats. Griffiths asked about voluntary optional metering. Chairman Martin stated that in the future the State of California will require meters, especially when applying for grant or loan monies. If an incentive is included in the billing system, residents might be willing to pay for their own meter installation.

Grah reported that a billing inventory has recently been done for commercial properties and there are areas where over or under charging occurs. With this inventory, without changing the rate structure or fees, substantial improvements will be made on any inequities.

When asked what a rate study would cost, Grah stated that the Commission put a reasonable cost limit of \$15,000. With Nolte having worked on the master plans it seemed they would be in a position to do the work reasonably but their proposal for a study was over \$30,000.

Director Grah suggested drafting a Request For Proposals for the rate study for the next meeting so Council could see exactly what work would be included. If approved, the RFP could be released. No rate increases have been established for July 2008 and there were different ideas whether they should be done.

The City Administrator explained that a lot of knowledge and information was gained through the last rate study that would

not need to be done again. He recommended moving forward with a reasonable rate study and doing a review of the accounts known to be inequitable that could possibly be metered. New fees, if determined they are needed, could be initiated at any time.

There was an agreement that water and sewer rates should be reviewed every five years.

ADJOURNMENT

The Mayor adjourned the meeting at 6:30 p.m.

MARTIN L. CONNOLLY, MAYOR

Attest: Richard F. Pucci, City Clerk

By: _____
Denise Gillespie, Assistant City Clerk

APPROVED BY COUNCIL APRIL 28, 2008