



Agenda Item: 9.A

Date of Meeting: April 8, 2024

Department: Public Works

## STAFF REPORT

To: City Council  
From: Nora Gamino  
Subject: **State Funded Water System Consolidation Projects: Brookside Estates Mutual Water Company and Sierra Highlands Community Services District**  
Prepared On: April 3, 2024  
Attachments: Letter of Intent to Support Sierra Highlands  
Brookside Consolidation Feasibility Study (8-17-23).pdf

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### Background/History:

There has been a push by the State Water Resources Control Board (SWRCB) to consolidate water systems, with a specific emphasis on encouraging small water systems to consolidate with larger, more resourced systems. This initiative stems from a recognition of the significant challenges many small water systems face, including limited financial resources, difficulty complying with increasingly stringent water quality standards, and the lack of capacity to manage emergency situations. The SWRCB's Safe and Affordable Funding for Equity and Resilience (SAFER) Program was established in 2019 to "address funding gaps and provide solutions to water systems, especially those serving disadvantaged communities, to address both their short- and long-term drinking water needs." (waterboards.ca.gov) Consolidation is seen as a viable solution to these issues, offering smaller communities access to safer and more reliable drinking water of larger water systems.

In the greater Bishop area, there are 23 designated water systems. The City's water system is by far the largest system with 1,293 connections, while the smallest systems have fewer than 5 connections. These systems are classified differently depending on the number of connections, seasonality, and type of use. These classifications are: State Small, Transient Non-Community, Non-Transient Non-Community, and Community. While there are differences in the way each classification is regulated, the standards for the smaller systems are becoming increasingly similar to the more complex system standards.

Several years ago, Brookside Estates Mutual Water Company (Brookside) approached the City regarding issues it was experiencing with its water system. They were directed to look into the SAFER program for assistance to study the feasibility of capital improvements and/or consolidation of their water system with another system. California Rural Water Association (CRWA), a non-profit organization, was then hired by the State to develop a feasibility study

looking at multiple consolidation options in West Bishop (report attached). Upon completion of the feasibility study, the State recommended that Brookside apply for a SAFER Technical Assistance (TA) grant. To be considered for TA, both Brookside and the City needed to supply written letters stating the intent of the two systems to consolidate. In September 2023, City Council approved a letter of intent to allow Brookside to consolidate with the City's water system.

Since then, Brookside's TA request has been funded and the SWRCB issued a work order to Provost & Pritchard Consulting Group (P&P) to complete the work, which kicked off in October 2023. The purpose of the TA "is to assist the community with the preparation and submission of planning and engineering documents that are required for the Drinking Water State Revolving Fund Financial Assistance Application for Construction Funding" (TA Work Plan).

#### Analysis/Discussion:

In January 2024, P&P conducted a site visit to gather information on the City's system and Brookside's system. Previously when CRWA developed the feasibility report for Brookside, outreach had been conducted with other nearby water systems. That outreach however was not very successful and therefore P&P decided to reach out to systems again and two systems were interested in discussing the project. P&P subsequently met with Indian Creek Community Services District (CSD) and Sierra Highlands CSD in which they were able to provide an overview of the TA program, State Revolving Fund programs, and consolidation goals of the project.

During the February 26, 2024 City Council meeting, a representative from Sierra Highlands CSD gave a public comment asking that the City consider including their water system in the consolidation project with Brookside. Indian Creek CSD has not reached out to the City with a request to consolidate.

Funding for construction through the State Revolving Funds is based on the number of connections served, with a cost per connection limit of \$60,000 per connection. For this project, funding would be limited to the number of connections consolidating into the City's system. Brookside has 22 service connections, Sierra Highlands has 215 service connections, and Indian Creek CSD has 289 service connections. Per State requirements, the current consolidation project of Brookside would be limited to approximately \$1,320,000. With Sierra Highlands included, the project funding cap is raised significantly to approximately \$14,220,000. Because of this funding calculation method, the more service connections that are included in the project, the more funding is available for system improvements. There are also several other water systems in the immediate vicinity of this project that could be included if interested.

If the consolidation efforts are successful and small systems in West Bishop are consolidated into the City's system, there will be impacts to the City's infrastructure and operations. The consolidation of Brookside and Sierra Highlands would add approximately 18% more service connections to the City's system and the impacts of this are being studied through the work that P&P is currently doing. Anticipated impacts could include but are not limited to: infrastructure improvements at the Well #4 and storage tank sites, new and/or upsized underground waterlines and booster pumps to carry water west of the tank site to these uphill neighborhoods, and possible staffing increases to cover the new service area.

The construction phase of the consolidation project will commence once approval is obtained

and necessary funding is secured through the State Revolving Fund. Although the City of Bishop will be the official applicant for construction funding and the direct recipient of these funds, P&P will provide extensive support by preparing all required planning and construction documents for the funding application. This assistance ensures that the technical and administrative burden of grant preparation is efficiently managed by P&P. However, the processes of procurement and contracting with the selected construction firm will be directly overseen by the City, in line with state and City regulations. P&P's role is outlined in a detailed work plan with the State and will continue through to the funding application's submission. Throughout this period, P&P will ensure ongoing coordination with the City, Sierra Highlands CSD, Brookside, and state representatives.

Economic Impacts:

None.

Budget Impacts:

None.

Legal Review:

City Attorney Pucci has reviewed this item and finds that the recommended action complies with the law.

Recommended Action:

Council consideration to approve the Letter of Intent to allow Sierra Highlands Community Services District to consolidate their water system with the City of Bishop.

Approved By: Deston Dishion 4/4/2024

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