



Agenda Item: 11.A
Date of Meeting: February 23, 2026
Department: Finance

STAFF REPORT

To: City Council
From: Ethan Aukee
Subject: **Direction on Updates to the City's Water and Sewer Utility Rate Assistance Program**
Prepared On: February 13, 2026

Background/History:

The City of Bishop currently offers a reduced water and sewer rate for qualifying low-income senior citizens under Title 13 of the Bishop Municipal Code. The existing code provisions limit eligibility to customers aged 65 or older who meet specified income thresholds and other requirements.

Based on previous feedback from City Council, staff has been evaluating updates to this program to better align it with current community needs, administrative best practices, and legal considerations related to enterprise utility funding and Proposition 218. In particular, staff has been developing a framework to:

- Transition the program from an age and income-based discount to solely an income-based assistance program;
- Use enrollment in established state and federal assistance programs as the basis for eligibility verification, rather than creating a new local income verification system; and
- Provide assistance in a manner that is transparent, predictable, and legally defensible for the City's water and sewer enterprise funds.

Analysis/Discussion:

1. Removing the "Senior" Requirement in Title 13

Under the current Bishop Municipal Code, eligibility for reduced water and sewer rates is limited to low-income senior citizens pursuant to BMC Sections 13.04.091 (Water) and 13.08.061 (Sewer). These sections restrict eligibility to customers aged 65 or older who meet specified income and administrative requirements.

Staff is proposing that the City consider revising these sections of Title 13 to remove the age-based requirement and instead base eligibility solely on income qualification, as verified

through participation in specified assistance programs. As part of this update, staff would also propose to clarify and modernize the code language to more clearly reflect existing practice (e.g., explicitly referencing the customer of record), without changing the underlying intent of the program.

This change would:

- Expand eligibility to low-income households regardless of age;
- Align the City's program with common utility assistance models used by other agencies; and
- Simplify administration by relying on existing eligibility determinations made by other programs.

Importantly, the proposed changes would not alter the core structural requirements of the program. The following elements would remain in place:

- The qualifying applicant must be the customer of record for the utility account (currently described in the code as the applicant who "receives a bill for service");
- The discount would apply only to residential utility service; and
- The assistance would apply only to the applicant's primary residence where the customer resides.

Council direction is needed on whether to proceed with this policy shift and instruct staff to prepare a formal ordinance amendment for consideration.

2. Eligibility Verification Through Existing Assistance Programs

Rather than creating a standalone City income verification process, staff proposes using enrollment in existing income-qualified programs as proof of eligibility. Staff is considering the following programs:

- California Alternate Rates for Energy (CARE)
- Family Electric Rate Assistance (FERA)
- CalFresh (SNAP)
- Medi-Cal
- Supplemental Security Income (SSI)
- Social Security Disability Insurance (SSDI)

Using these programs as eligibility qualifiers reduces administrative burden, avoids duplicative income reviews, and relies on established state and federal vetting processes. Acceptable programs should be set by resolution.

Council direction is requested on which programs should be accepted for eligibility verification and instruct staff to prepare a resolution to adopt those programs.

3. Structure and Amount of the Assistance Benefit

Currently, the Municipal Code provides a 25% reduction in applicable charges for qualifying low-income seniors. Staff is recommending a discount structure based on a percentage reduction in applicable charges rather than a fixed dollar amount discount structure. Prior to

program initiation, it is difficult to forecast the extent of customer participation and its effect on the amount of a General Fund subsidy required to carry out the program.

For conceptual purposes, assuming the program discount remains at a 25% rate, staff roughly estimate participation and financial impacts for budgeting purposes in 26-27 as follows:

120 Single Family Residential Participating Customers

\$130,536.00 of annual revenue

\$32,634.00 of annual discount

12 Multi Family Residential Participating Customers (Potential for 88 billed unit charges)

\$70,498.56 of annual revenue

\$17,624.64 of annual discount

\$50,258.64 of annual discount and General Fund subsidy budget in 26-27. Participation levels are uncertain and this amount is forecasted to the best of staff's current ability. A few assumptions were and should be made:

- This calculation is made assuming that the City charges the 26-27 proposed utility rates in fiscal year 26-27. All subsidy budgeting would be based on actual rates charged in a given fiscal year.
- In years subsequent to program implementation, forecasting would become more accurate and program planning would improve.
- Proposed utility rates increase year over year, the subsidy associated with a percentage-based program would increase at the same rate as the utility rates. In other words, one should expect that the budget for a General Fund subsidy will increase year over year if the program is implemented and the proposed rates are adopted.

Council direction is requested on the appropriate level of assistance.

These policy choices will guide staff in finalizing the program design and preparing the necessary ordinance, resolution, and administrative documents for Council consideration at a future meeting.

Impacts to Council Goals and Strategic Planning Priorities:

The utility rate assistance program was not contemplated during strategic planning meetings.

Budget Impacts:

This item is for policy direction only and does not approve or fund any specific assistance level at this time. However, the level of assistance ultimately established by the City Council will have a direct fiscal impact on the General Fund, as the utility rate assistance program will be funded from non-enterprise fund sources. The actual budget impact will depend on the benefit structure, amount of assistance approved by Council, and the number of participating customers.

Legal Review:

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

Recommended Action:

City Council to provide direction to staff regarding:

1. Revising Title 13 of the Bishop Municipal Code to remove the "senior citizen" requirement and transition the program to a low-income, income-qualified assistance program;
2. Identifying which existing income qualified assistance programs shall be used to verify eligibility, to be established by resolution; and
3. Determining the structure and amount of the utility rate assistance benefit (currently 25% for qualifying low-income seniors).

Approved By: Ethan Aukee 2/13/2026

Approved By: Robin Picken 2/17/2026

Approved By: Pam Foster 2/18/2026

Approved By: