



Agenda Item: 17.A
Date of Meeting: October 27, 2025
Department: Public Works

STAFF REPORT

To: City Council
From: Nora Gamino
Subject: **Adoption of the 2025–2030 Water and Sewer Capital Improvement Plans**
Prepared On: October 17, 2025
Attachments: Water Projects CIP
Sewer Projects CIP

Background/History:

The City of Bishop maintains Capital Improvement Plans (CIPs) for both the Water and Sewer Utility Funds to provide a structured approach for maintaining, replacing, and upgrading essential infrastructure. The CIPs identify projects needed to sustain reliable utility operations, protect public health, and comply with regulatory requirements.

Capital Improvement Plans are long-standing best practices among public agencies, serving as planning tools that link system needs, strategic goals, and financial planning. Like those used by neighboring agencies, Bishop's CIPs provide a framework to identify and prioritize infrastructure investments, estimate future costs, and coordinate project timing and funding sources.

While the plans do not authorize individual project expenditures, they play a critical role in aligning the City's infrastructure programs with its financial capacity, including water and sewer rate-setting. The five-year CIP establishes the near-term investment strategy for both systems and supports long-range planning to ensure continued service reliability.

The current water and sewer CIPs were developed as part of the City's ongoing rate study process, which has incorporated project timing, funding assumptions, and financial scenarios to maintain fiscal sustainability while minimizing rate impacts.

Development of these CIPs is included in Objectives 3.3 and 3.4 of the City's Strategic Plan.

Analysis/Discussion:

The updated Water CIP represents a refined and more financially balanced version of the plan presented to Council on September 22, 2025. In response to feedback and financial modeling results, the distribution system improvement program was scaled back to reduce near-term

capital costs. Specifically, several fire flow improvement projects (replacement of older 4-inch mains with 8-inch lines) were deferred beyond the five-year period. In their place, the plan includes an annual \$250,000 allocation, starting in year 3, for Annual Line Replacement, allowing for smaller, targeted improvements to continue while lowering the short-term funding burden on ratepayers.

Overall, the five-year Water CIP totals approximately \$14.2 million, including \$3.5 million in rate-funded projects and \$10.6 million in loan or grant-funded projects. Major efforts include the new production well project (anticipated WRDA and rate revenue funding), meter installation and management system implementation (anticipated loan or grant funded), well rehabilitation and motor replacements, tank rehabilitation, and essential vehicle and equipment replacements.

The Sewer CIP totals approximately \$9.8 million, of which \$2.0 million is rate-funded and \$7.8 million is anticipated to be funded through USDA or other external sources. The plan focuses on collection system rehabilitation, lining, and inflow/infiltration reduction, as well as BAWA planning and design for the regional wastewater treatment plant, which is substantially funded through the State Revolving Fund. This combination of local and external funding allows the City to advance critical system improvements while substantially reducing the financial burden on sewer customers.

Approval of these CIPs will establish the City's capital investment framework for the next five years, ensuring consistency with the upcoming rate study, state regulatory goals, and the City's broader infrastructure planning efforts.

Public outreach was not conducted specifically for development of the CIPs. The plans are technical planning documents that identify system needs and funding strategies, developed using staff expertise, condition assessments, and regulatory requirements. Broader public review and feedback will occur through the rate study and Proposition 218 process, where the financial impacts and project priorities are presented for public consideration.

Economic Impacts:

There are no direct economic impacts from adopting the CIPs. However, these plans directly inform the City's water and sewer rate-setting process, ensuring that future rate adjustments are based on realistic capital investment needs and available funding sources.

Budget Impacts:

There are no immediate budget impacts. Adoption of the CIPs does not authorize specific project expenditures. Individual projects will be brought to Council for budget approval and contract award at the time of implementation.

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 of the 2025–2030 Water and Sewer Capital Improvement Plans as presented.

Approved By: Ethan Aukee 10/23/2025

Approved By: Robin Picken 10/23/2025

Approved By: Pam Foster 10/23/25

Approved By: