

RESOLUTION NO. 2008-598

Adopted by the Sacramento City Council

August 26, 2008

AGREEMENT FOR BILLING ADJUSTMENT TO CORRECT SACRAMENTO MUNICIPAL UTILITIES DISTRICT BILLING ERROR AT E.A. FAIRBARN WATER TREATMENT PLANT

BACKGROUND

- A. In 2007, the Sacramento Municipal Utilities District (SMUD) notified the City of SMUD's discovery of an electric meter wiring connection error affecting one of two SMUD electric service meters at the City's E.A. Fairbairn Water Treatment Plant. As a result of this connection error, the City was undercharged for electric service at the Fairbairn Plant for a period of more than 3 years. Because SMUD's Rules and Regulations applicable to billing adjustments for metered billing errors limit the period of undercharge that SMUD may collect for to 3 years, SMUD has calculated an amount owed based upon a 3 year period.
- B. City and SMUD staff have negotiated a Billing Settlement Agreement that (1) allows the City to repay the undercharge amount of \$916,000 over a 3 year term, and (2) provides an additional incentive amount for installation of self-generation solar photovoltaic panels at one or more of the City's Department of Utilities facilities. There is sufficient funding in the Water Fund to make the annual payment.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Manager is authorized to execute a Billing Settlement Agreement with the Sacramento Municipal Utilities District, for additional payments to correct SMUD's electric service billing error at the E.A. Fairbairn Water Treatment Plant, in the amount of \$916,000.

Adopted by the City of Sacramento City Council on August 26, 2008 by the following vote:

Ayes: Councilmembers Fong, Hammond, Pannell, Sheedy, Tretheway, Waters, and Mayor Fargo

Noes: None.

Abstain: Councilmember Cohn (Recused).

Absent: Councilmember McCarty.



Mayor Heather Fargo

Attest:



Shirley Concolino, City Clerk