



# City of Nevada City

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**FOR IMMEDIATE RELEASE  
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## **Nevada City Announces Corrections to Sewer Utility Billing**

City Manager Mark Prestwich announced today that during a mid-year fiscal analysis of Nevada City's Sewer Fund, staff identified a miscalculation in its utility billing program and has determined that two programming changes are needed to correct utility bills. "The miscalculation was made during transition from the City's previous fixed fee rate structure to a combined 40% fixed fee and 60% flow charge sewer rate methodology," said Prestwich. A flow charge component recognizes that those who produce less wastewater should pay less than those who produce more wastewater into the system. "Bills that customers receive this month will include the necessary corrections," Prestwich added.

The City's new combined rate methodology was implemented in July 2015 and provides that the flow portion of the bi-monthly bill be recalculated each year based on January and February metered water flows, which are typically the lowest flows for the year and closely approximate wastewater production. A minimum flow of 2,000 gallons per month (gpm) for all accounts was incorporated into the proposed rate schedule to address the zero flows some accounts may have during winter months yet have greater flows the remainder of the year.

As a result of these programming issues, customers have been under billed by approximately \$31 per billing cycle (two-month period) which equates to a total of approximately \$124 per customer since July 2015. The cumulative loss to the sewer fund year-to-date is approximately \$180,000. The following changes have been made to correct the utility billing system in order to accurately reflect the approved fixed fee and flow charge calculation:

- 1) The fixed portion of the sewer charge (\$44.61) now correctly applies monthly as it did prior to transition rather than bi-monthly.
- 2) The programming now accounts for the 2,000 gpm minimum flow figure resulting in a reduction of \$6.78 per month (\$13.56 per billing cycle).

Prestwich said staff will update the City Council on the issue at their May 11, 2016 Council Meeting.

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