

2002-0282

INTRODUCED BY: DARNELL "DEE" ABADIE, COUNCILWOMAN, DISTRICT III

ORDINANCE NO. 02-8-12

An ordinance to amend the Parish Code of Ordinances to immediately suspend future increases to the sewer use charge.

WHEREAS, St. Charles Parish has incrementally increased the sewer use fee to the current rate of \$4.10 per 1,000 gallons of water based on estimates of expenditures provided by the rationalization program engineers, and actual expenses are now available; and,

WHEREAS, the sewer use rates are based on projected operating maintenance repair, replacement and depreciation expenses in accordance with applicable requirements as calculated in the Sewer Use Rate Study, and the actual depreciation expense is considerably higher than projected in the schedules. This needs to be reviewed as this number has a significant impact on the residual calculation and corresponding sewer rate; and,

WHEREAS, the Wastewater Enterprise Fund ended fiscal year 2001 with a total of \$8,947,831.00 in retained earnings which is \$1,963,537.00 above the beginning balance of \$6,984,294.00. This increase was realized without having collected the higher rate for the full calendar year; yet the residual calculated is approximately 5%; and,

WHEREAS, it is in the best interest of the citizens in the Parish that the Parish Council immediately suspend future rate increases pending an immediate independent evaluation of revenue, expenditures, retained earnings and residual of the sewer system since the rate was initially increased.

**THE ST. CHARLES PARISH COUNCIL HEREBY ORDAINS:**

**SECTION I.** That Chapter 22 of the St. Charles Parish Ordinances is hereby amended in Section 22-80 (1) (a) by amending the first paragraph and replacing it with the following:

- (a) "Volume rate charge: To cover the cost of operation and maintenance, and where necessary, capital improvements to the wastewater collection, treatment, and disposal system, a volume rate user charge is hereby established at \$5.06 (80 percent of \$5.06 equals \$4.05) per 1,000 gallons of water use on June 1, 2001; \$5.13 (80 percent of \$5.13 equals \$4.10) per 1,000 gallons of water use on January 1, 2002; \$5.19 (80 percent of \$5.19 equals \$4.15) per 1,000 gallons of water use on January 1, 2003; and, \$5.31 (80 percent of \$5.31 equals \$4.25) per 1,000 gallons of water use on January 1, 2004."

**SECTION II.** The independent evaluation will result in an accurate calculation of sewer user fee based on actual revenue and expenses of the system according to Governmental Accounting Principle; and an extensive review is required of the differences in long term and short term depreciation numbers in the study versus those calculated by the Finance Department

**SECTION III.** Effective August 5, 2002, an evaluation based on actual cost of operation of the Sewer System for fiscal year 2001 and 2002 year-to-date be performed effective with this ordinance. The evaluation to be performed within thirty (30) calendar days by the Louisiana Legislative Auditor or an independent accounting firm if the Louisiana Legislative Auditors are not available within the thirty day timeframe. The result of this evaluation is to achieve an appropriate level of residuals to yield sufficient funds to operate the wastewater system. In accordance with all applicable federal and state regulation requirements and bond covenants.

The foregoing ordinance having been submitted to a vote, the vote thereon was as follows:

YEAS: RAMCHANDRAN, FAUCHEUX, HILAIRE, ABADIE, AUTHEMENT, BLACK

NAYS: FABRE

ARSENT: MARINO, MINNICH

And the ordinance was declared adopted this 5<sup>th</sup> day of August, 2002, to become effective five (5) days after publication in the Official Journal.

Seal of Ordinance Revised 2

CHAIRMAN: [Signature]

SECRETARY: [Signature]

DLVD/PARISH PRESIDENT: 8-6-02

APPROVED: [Signature] DISAPPROVED: \_\_\_\_\_

PARISH PRESIDENT: [Signature]

RETD/SECRETARY: 8-9-02

AT 9:45 AM RECD BY: [Signature]