

THE FOLLOWING RESOLUTION WAS SPONSORED BY COUNCILMEMBER ZUCKERMAN, MOVED FOR ADOPTION BY COUNCILMEMBER _____, AND SECONDED FOR ADOPTION BY COUNCILMEMBER

RESOLUTION NO. 26-28

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MANDEVILLE AUTHORIZING THE MAYOR TO RETAIN A QUALIFIED CONSULTANT TO CONDUCT AN AUDIT AND REVIEW OF THE CITY'S RECENTLY ADOPTED AND AMENDED WATER AND SEWER BILLING SYSTEM, TO IDENTIFY AN APPROPRIATE METHODOLOGY FOR ACCURATELY REFLECTING USE OF CITY WATER AND SEWER SERVICE, TO PROPOSE REVISED RATES AND/OR AN ALTERNATIVE RATE STRUCTURE THAN WHAT WAS RECENTLY ADOPTED BY THE COUNCIL IN ORDINANCE NO. 24-40 AND AMENDED BY ORDINANCE 26-20, THAT CAUSE THE CITY'S ENTERPRISE FUND TO BE SELF SUSTAINING AND WILL SATISFY THE REQUIREMENTS OF THE STATE OF LOUISIANA TO QUALIFY FOR STATE FUNDS FOR CAPITAL PROJECTS , AND TO PROVIDE FOR OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the City of Mandeville provides water and sewer utility service to residential and other customers within the City; and

WHEREAS, Sections 17-75 and 17-77 of the City of Mandeville Code of Ordinances impose monthly water and sewerage charges for residential customers; and

WHEREAS, recently adopted Ordinance No. 26-20 recognizes that the current sewerage rate methodology may charge at least some residential customers for sewer service volume that the customer did not actually consume, and further recognizes that overcharging for sewer service may result in unnecessary and unaffordable billing and other adverse impacts on the health, safety, and welfare of the City and its residents; and

WHEREAS, during public comment and Council consideration of Ordinance No. 26-20, concerns were raised that the methodology used to develop and apply the current sewer rate may not accurately account for water usage that does not enter or burden the City sewer system, including outdoor irrigation, lawn watering, pool filling, and similar uses; and

WHEREAS, although Ordinance No. 26-20 establishes a temporary cap on residential sewerage charges, concerns remain that a temporary cap alone may not resolve

underlying issues of accuracy, equity, uniform application, revenue sufficiency, billing feasibility, and public confidence in the City's sewer billing methodology; and

WHEREAS, Ordinance No. 26-20 does alter the previously adopted staged plan for water and sewer rate increases necessary to comply with Ordinance No. 24-40 by placing a cap on sewer charges resulting in a reduction in projected income from providing such services; and

WHEREAS, the City Council finds that an independent audit and review of the water and sewer billing system is necessary and appropriate to determine whether the City's current sewer billing methodology accurately, fairly, and uniformly reflects the goals established in Ordinance No. 24-40 which primarily was to comply with the State of Louisiana's requirements to qualify for funding of capital projects, utilizing available grants under the Water Sector Fund AND to place a higher financial responsibility on higher volume users; and

WHEREAS, the City Council may elect to revise its previously unanimously adopted strategy of placing a higher financial responsibility on higher volume water users; and

WHEREAS, the City Council further finds that any long-term water and sewer rate structure should, to the extent practicable, distinguish between water delivered to a customer and wastewater discharged into the City sewer system, and should account for water usage that is not reasonably attributable to sewer system use; and

WHEREAS, the City Council desires that a qualified consultant evaluate the City's sewer billing system, data, rate methodology, billing technology, customer classifications, administrative processes, and available alternatives, including but not limited to winter averaging, seasonal averaging, irrigation adjustments, separate irrigation meters, customer-specific caps, flat-rate or tiered-rate structures, equivalent residential unit methodologies, and other legally and administratively feasible approaches; and

WHEREAS, the City Council desires that the consultant identify an appropriate methodology to accurately reflect use of City water and sewer service where sewer use is not directly tied to total metered water usage, and propose an alternative rate structure that can be applied equally, fairly, and consistently to all similarly situated customers; and

WHEREAS, the City Council further desires that the consultant's recommendations consider customer equity, conservation impacts, administrative feasibility, billing-system limitations, revenue sufficiency for water and sewer operations, capital needs, legal compliance, and the ability of the City to implement and explain the recommended methodology to the public; and

WHEREAS, the City Council finds that the consultant's evaluation of any alternative rate structure should be informed by at least one full year of actual collection data so that the consultant may determine whether the proposed rate structure will adequately address the expenses of the City's enterprise fund that manages the City's Water and Sewer utilities; and

WHEREAS, the Mayor is the chief executive officer of the City and is authorized to administer the affairs of the City, including the procurement and retention of professional services in accordance with applicable law and available appropriations; and

WHEREAS, the City Council desires to authorize and request that the Mayor retain a qualified consultant to perform the work described in this Resolution and report findings and recommendations to the Mayor, City Administration, and City Council.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Mandeville, Louisiana, that the City Council hereby authorizes and requests that the Mayor retain a qualified independent consultant, in accordance with applicable law, City procurement requirements, and available appropriations, to conduct an audit and review of the City's sewer billing system and sewer rate methodology.

BE IT FURTHER RESOLVED THAT the consultant shall be requested to review, analyze, and evaluate, at a minimum, the following:

- a. the City's current water and sewer billing methodology, including the extent to which sewer charges are calculated by reference to metered water usage;
- b. the methodology, data, assumptions, and recommendations previously used to develop the current water and sewer rate structure;
- c. whether and to what extent the current billing methodology may charge customers for water usage that does not enter or burden the City sewer system, including outdoor irrigation, lawn watering, pool filling, leaks, and other non-sewer uses;
- d. the accuracy, consistency, and reliability of billing data, water-usage data, customer classifications, meter data, billing-system functionality, and administrative procedures used to calculate sewer charges;
- e. whether the current water and sewer billing system treats similarly situated customers equally and fairly;
- f. whether current billing practices create inequities among customers based on household size, lot size, irrigation practices, pool ownership, seasonal usage, customer classification, or other relevant factors;

g. the technological, staffing, administrative, legal, and cost considerations associated with alternative billing methodologies; and

h. any additional matters reasonably necessary to evaluate and recommend a fair, accurate, uniform, and administratively feasible sewer billing methodology; and

i. whether the current billing methodology, rates, and structure will achieve the original goals set out by Ordinance No. 24-40 and will satisfy the needs of the City to receive State funding for capital projects; and

j. recommends adjusted rates and/or rate structures that will achieve the objectives outlined herein.

BE IT FURTHER RESOLVED THAT the consultant shall be requested to identify one or more appropriate methodologies for calculating water and sewer charges in a manner that more accurately reflects actual use of City sewer service and is not directly tied to total metered water usage where such usage does not reasonably correspond to sewer system use. The consultant shall also be requested to propose an alternative water and sewer rate structure and rates that can be applied equally and consistently to all similarly situated customers while achieving the goals outlined herein.

BE IT FURTHER RESOLVED THAT in preparing recommendations, the consultant shall be requested to consider, as applicable:

a. winter quarter averaging or similar seasonal averaging methodologies;

b. irrigation, pool, and outdoor water-use adjustments;

c. separate irrigation meters or other mechanisms for distinguishing sewer and non-sewer water use;

d. fixed, variable, tiered, capped, or hybrid water and sewer rate structures;

e. equivalent residential unit or customer-class methodologies;

f. impacts on residential, commercial, institutional, and other customer classes, if applicable;

g. revenue sufficiency for operation, maintenance, debt service, reserves, and capital needs of the sewer utility;

h. customer equity and uniform application among similarly situated customers;

i. administrative and billing-system feasibility;

j. legal and regulatory compliance;

k. transparency and ease of public understanding; and

l. implementation timeline, estimated costs, and recommended transition procedures.

BE IT FURTHER RESOLVED THAT before the consultant makes a final determination as to whether any proposed revised rate structure will adequately address the expenses of the City's enterprise fund that manages the City's Water and Sewer utilities, the City should first have at least one full year of actual sewer collection data available for the consultant's review and use. The consultant shall be requested to use that collection data, together with relevant expense, operating, maintenance, debt-service, reserve, and capital-needs information, to evaluate whether the proposed rate structure is sufficient to support the Water and Sewer enterprise fund while also being fair, accurate, and uniformly applied.

BE IT FURTHER RESOLVED THAT the consultant shall be requested to prepare a written report setting forth the consultant's findings, analysis, supporting data, recommended methodology, proposed alternative rate structure, implementation requirements, estimated costs, and any proposed ordinance or policy changes needed to implement the recommendations. The Mayor, or the Mayor's designee, shall provide the report to the City Council upon receipt and shall place the matter on a Council agenda for presentation and discussion within a reasonable time thereafter.

BE IT FURTHER RESOLVED THAT the Mayor is authorized to direct appropriate City personnel, including the Finance Director, Director of Public Works, City Attorney, Clerk of Council, and other relevant staff, to provide information reasonably necessary for the consultant to perform the audit and review, subject to applicable confidentiality, public records, procurement, and data-security requirements.

BE IT FURTHER RESOLVED THAT the Mayor is authorized to take all actions reasonably necessary to solicit, select, negotiate with, and retain the consultant in accordance with applicable law, City procurement requirements, and available budgetary authority. If additional appropriation or budget amendment is required, the Mayor shall present the necessary request to the City Council for consideration.

BE IT FURTHER RESOLVED THAT this Resolution authorizes the retention of a consultant and the preparation of findings and recommendations only. Nothing in this Resolution shall amend the City Code of Ordinances, change any sewer rate, create any customer credit or refund, or modify any billing practice unless and until further action is taken by the City Council in accordance with applicable law.

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

AYES: _____

NAYS: _____

ABSTENTIONS: _____

ABSENT: _____

And the Resolution was declared adopted on this ____ day of _____,
2026.

Alicia Watts
Clerk of Council

Scott Discon
Council Chairman