



## ST. TAMMANY PARISH

MICHAEL B. COOPER  
PARISH PRESIDENT

RE: St. Tammany Parish Department of Utilities  
Utility Rate Study

### Summary:

St. Tammany Parish Government Dept. of Utilities was assigned to a consultant by the Office of Community Development for the State of Louisiana to perform a rate study as a requirement for receiving Water Sector Program funds.

### Background:

The Department of Utilities owns and maintains multiple water and sewer systems across St. Tammany Parish. These systems are comprised of numerous wastewater treatment plants, lift stations, collection systems, water wells, water treatment facilities, water storage facilities, and distribution systems. The Department of Utilities provides service for approximately 16,000 connections or roughly 50,000 people.

### Issue:

The Department of Utilities was awarded over \$80,000,000 in federal and state grant funding through the Water Sector Program to construct upgrades, rehabilitations, and consolidations to many of the water and wastewater systems owned and operated by St. Tammany Parish Dept. of Utilities. One of the obligations upon acceptance of the grant funds is to perform a rate study and adopt the recommendations. Additionally, the Louisiana State Health Code requires a rate study be performed by a utility provider every 5 years. The rate study consultant was selected and paid for by the State. The State also provided certain criteria the rate study results had to meet. The objective of the rate study is to determine if rates charged by the utility provider will produce a fair and reasonable revenue stream currently, and in the future, to operate and maintain existing infrastructure and new Water Sector funded infrastructure. The rate study consultant recently completed the analysis which requires a rate adjustment to meet the minimum criteria required by the State.

### Solution:

The Rate Study results require a rate adjustment to all existing customers of St. Tammany Parish Dept. of Utilities. The Rate Study determined that:

- All Dept. of Utilities should pay the same rates for water and sewer services.
  - The Dept. of Utilities has multiple water and sewer systems that have different rate structures. The adoption of the rate ordinance will establish uniform water and sewer rates for all customers.
  - The rate increase adjustment will vary for different customers due to water and wastewater systems having unique rate structures.
- The rate structure shall change from a minimum usage of 4,000 gallons per month to 2,000 gallons per month.
  - The rate structure adjustment minimizes the rate adjustment to the “ready to serve” or minimum bill amount to limited impact to fixed incomes, seniors, and low water users.
  - The rate structure adjustment promotes water conservation and smart water practices as water billing is based primarily on usage.
- The rate adjustment is required to generate funding for:
  - Capital Improvements to rehabilitate and upgrade existing infrastructure.
  - Operating the existing water and wastewater systems in compliance with LDEQ, LDH, & EPA requirements.
  - Performing predictive and preventative maintenance in addition to corrective or reactive maintenance.

The rate adjustment will only apply to existing Department of Utilities customers.