



RICHARD P. IEYOUB
ATTORNEY GENERAL

State of Louisiana
DEPARTMENT OF JUSTICE
CIVIL DIVISION
BATON ROUGE
70804-9005

One American Place
301 Main Street, Suite 600
P.O. Box 94005
TEL.: (225) 342-7013
FAX: (225) 342-2090

JUN 13 2002

Opinion Number 02-0191

71 Municipalities
90-A-2 Public Funds – Loan, Pledge or Grants
167 Utilities

Honorable Tim Tregle, Mayor
City of Morgan City
P.O. Box 1218
Morgan City, LA 70381

City of Morgan City policy for water bill adjustments should include that adjustments may be made for water leakage only if the leak is caused by the City.

Dear Mayor Tregle:

We received your request for an opinion regarding a policy proposed by the City for water bill adjustments. It is our understanding that the City of Morgan City has its own water company and would like to implement a policy for adjustments to bills in those instances when a customer claims a water leak.

As mentioned in your request, our office previously opined in Atty. Gen. Op. No. 97-425 that a municipality may not adjust a water bill when there is no evidence that the meter was not properly read or properly working. To make an adjustment in that instance would be tantamount to a donation of public funds which is expressly prohibited by Article 7, Section 14 of the Louisiana Constitution of 1974. Our office further opined that a credit policy may be implemented in the case of water usage only in those instances where the damage to the water pipe was caused by the municipality. See Atty. Gen. Op. Nos. 99-208 and 99-375.

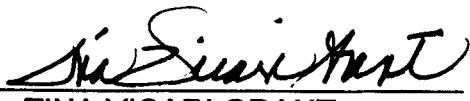
The proposed policy by the City of Morgan City requires that a customer claiming a leak make the necessary repairs and provide the City with documentation of the repair and associated costs. Upon receipt of adequate documentation, the City may make an adjustment which is equal to the average of the customer's last three months of water consumption. However, the policy makes no reference to the cause of the leak. As we previously opined, a municipality may only adjust a customer's bill due to a water leak if the leak was caused by the municipality. Therefore, we recommend that the City revise the proposed policy to add that adjustments may be made for water leakage only if the leak is caused by the municipality.

We trust that this adequately responds to your request. If you have any questions or comments, please do not hesitate to contact our office.

With kindest regards,

Yours very truly,

RICHARD P. IEYOUNG
Attorney General

BY: 
TINA VICARI GRANT
Assistant Attorney General

RPI/TVG/dam