

November 9, 2005
Opinion Number 05-0319

Mr. Gregory L. Jones
Attorney at Law
P. O. Box 4478
Pineville, LA 71361

172-A Water Districts
A water district is authorized to implement a credit policy/adjustment for water leaks only in instances where the damage was not the fault of a customer and the customer documents the repair prior to receiving an adjustment.

Dear Mr. Jones:

Your request for an Attorney General opinion on behalf of Rapides Parish Waterworks District No. 3 was forwarded to me for research and reply. Your inquiry as I understand it is, whether the District's policy addressing adjustments for water leaks as written, is in compliance with current state law?

Generally, there is a prohibition against the loan, pledge or donation of public funds, property or things of value to any person, association or corporation, public or private.¹ However, a water district is authorized to implement a credit policy for water leaks only in instances where the damage was not the fault of the customer.² Please also see *La. Atty. Gen. Op. 03-155* where we opined that a customer who has a leak must document all leaks and repairs prior to receiving an adjustment.

The District's credit policy, as written, does not require documentation of the leak and repairs by the customer before adjustments can be made. Therefore, we recommend that the District modify its policy to require such. Otherwise, the District will not know the nature of and cost to repair the leak. Without evidence that the leak was caused by the District, a credit would be tantamount to a donation of public funds.

We hope this opinion has sufficiently addressed your concerns. If you need further assistance, please do not hesitate to contact us.

Sincerely,

CHARLES C. FOTI, JR.
ATTORNEY GENERAL

By: _____
CHARLENE PATTERSON
Assistant Attorney General

/cp
enclosure

¹ Art. VII, Sec 14 of Louisiana Constitution.

² Attorney General Opinion No. 03-0155

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Date Received:
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CHARLENE PATTERSON
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