

ORDINANCE NO. ____ of 2024

AN ORDINANCE TO ESTABLISH PROCEDURES TO STABILIZE WATER AND SEWER RATE INCREASES AND TO OTHERWISE PROVIDE WITH RESPECT THERETO.

BY: COUNCILMEMBER _____

WHEREAS, the City of Shreveport, State of Louisiana (the "**City**") now owns and operates a combined drinking water treatment and distribution system and wastewater collection, treatment and disposal system as a combined revenue-producing work of public improvement (the "**System**"); and

WHEREAS, the City Council, acting as governing authority (the "**Governing Authority**") of the City, has heretofore adopted Ordinance No. 95 of 2016, as amended January 24, 2017, and as heretofore been further amended and restated (the "**General Bond Ordinance**"), authorizing the issuance from time to time water and sewer revenue bonds of the City, prescribing the form and certain terms and conditions of said bonds, establishing funds and accounts relating to said bonds, providing for the payment thereof in principal and interest including a rate covenant thereto, providing with respect to the issuance of Senior Lien Bonds (as defined in the General Bond Ordinance) and Junior Lien Bonds (as defined in the General Bond Ordinance), and providing for other matters in connection therewith; and

WHEREAS, it is the desire of this Governing Authority to establish procedures to ensure the City meets its obligations to bondholders as provided for in the General Bond Ordinance while stabilizing rate increases by budgeting and transferring amounts to the Revenue fund (as defined in the General Bond Ordinance) as set forth herein; and

SECTION 1. Definitions. The following terms used herein shall have the following meanings, unless the context clearly requires otherwise:

"**Authorized Officer**" has the meaning in Section 6 hereof.

"**Bonds**" has the meaning in the General Bond Ordinance and includes the Senior Lien Bonds and the Junior Lien Bonds.

"**Excess Revenues**" has the meaning in Section 2 hereof.

"**Fiscal Year**" means the one-year accounting period beginning on January 1 of each year, or such other fiscal year period as may be determined from time to time by the Governing Authority as the fiscal year of the City.

"**General Bond Ordinance**" has the meaning in the preambles hereof.

"**General Fund**" means the General Fund maintained by the City.

"**Net Revenues**" has the meaning in the General Bond Ordinance.

"**Operating Expenses**" has the meaning in the General Bond Ordinance.

"**Revenue Fund**" has the meaning in the General Bond Ordinance.

"**Revenues of the System**" has the meaning in the General Bond Ordinance

SECTION 2. Annual Transfer. The City shall budget and transfer each Fiscal Year from the General Fund to the Revenue Fund an amount equal to the greater of (i) Twenty Million Dollars (\$20,000,000), or (ii) the funds necessary to satisfy the required rate coverage covenants under Section 7.05 of the General Bond Ordinance when such funds from the General Fund are combined with other existing funds held under the General Bond Ordinance. On the first day of each Fiscal Year, any funds transferred from the General Fund to the Revenue Fund in the prior Fiscal Year which remain in the Revenue Fund at the end of such prior Fiscal Year and are not needed for the payment of debt service on any outstanding Senior Lien Bonds or Junior Lien Bonds and/or Operating Expenses ("**Excess Revenues**") shall be transferred to the City's General Fund in the amount required under items (i) or (ii) hereof.

SECTION 3. Validity/Enforcement. If any one or more of the provisions of this Ordinance shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Ordinance, but this Ordinance shall be construed and enforced as if such illegal or invalid provisions had not been contained herein. Any constitutional or statutory provision enacted after the date of this Ordinance which validates or makes legal any provision of this Ordinance which would not otherwise be valid or legal, shall be deemed to apply to this Ordinance.

SECTION 4. Interpretation. Notwithstanding cross references herein to the General Bond Ordinance, this Ordinance shall not be read or interpreted in any manner as supplementing or amending the General Bond Ordinance.

SECTION 5. Publication. Upon adoption, this Ordinance shall be published one time in the official journal of the City after it is approved by the Mayor.

SECTION 6. Authorized Officers. The Mayor, Clerk of Council, the Chief Administrative Officer, Director of Finance and any other official or employee of the City designated by Governing Authority (each an "**Authorized Officer**") are collectively and each individually authorized, empowered, and directed, for and on behalf of the City, to take any and all such action as may be necessary to carry into effect the provisions of this Ordinance.

SECTION 7. Effective Upon Adoption. This Ordinance shall take effect in accordance with the provisions of Section 4.23 of the Code of Ordinances of the City.

APPROVED AS TO LEGAL FORM:

City Attorney's Office