RESOLUTION _____-2023

A RESOLUTION PROVIDING FINDINGS AND CONDITIONS FOR COMPLETION OF PROJECT RESTOR; RELATIVE TO CHALLENGES REGARDING RESTOR; AND RELATIVE TO UTILITY COMPLAINTS REGARDING THE NATURE, QUALITY, AND CIRCUMSTANCES PERTAINING TO SERVICE DISCONNECTIONS; AND TO PROVIDE FOR MATTERS WITH RESPECT THERETO.

WHEREAS, this Resolution reaffirms the AUSP-AUS ordinances in full.

WHEREAS, the Alexandria City Council as the ratemaking authority for the Alexandria Utility System (AUS) recognizes as a public body organized under the authority of the City of Alexandria Home Rule Charter that AUS should perform administrative best practices consistent with the city and AUS obligations to citizens, customers, bond holders and others.

WHEREAS, challenges in 2022 to operate and sustain meter reading, resource planning, and collections, coupled with a data breach and billing calamity, made it necessary to implement project RESTOR, designed to evaluate and set the AUS back on good footing and in best practice.

WHEREAS, the AUS faces a veritable onslaught of misinformation, fraud, and interference from numerous sources. Most recently, news stories related to a misinformed narrative was published without sufficient facts provided to the public, leading to further risk of interference from unqualified social influencing through media. Specifically:

A. Misinformation regarding the funding of RESTOR; its use of available funds; and its underutilization resulting in surplus funds;

B. Misinformation regarding assigned RESTOR amortized balances by customers who failed to utilize RESTOR but carried forward large accumulated balances; and

C. Misinformation regarding the nature of the granted portion (which is not subject to reimbursement by customers) versus the amortized accumulated balance (which is and always was, as explained in FAQs, subject to reimbursement through monthly installments); and

D. Misinformation regarding the nature, quality, and challenges to disconnection policy most notably at risk by continued interference with reasonable and required collection procedures already liberal in application.

WHEREAS, it is necessary for City Council as the rate maker to advise the citizens of facts and circumstances related to the city's reservation of the right to terminate utility services as authorized by discretion granted in Section 26-11 of the Alexandria Code of Ordinances, including disconnection of serious past due and uncollected residential customer accounts.

WHEREAS, the City of Alexandria utility customers were facing substantial, and in some cases almost insurmountable, accumulated utility account balances by 2022 due to ongoing administrative and managerial issues within the Utility Customer Service Department. Due to these management issues as found in 2021-22 audits, the new Administration and Council created RESTOR.

WHEREAS, in largest part following January 4, 2022, it became administrative policy and common practice for the City to extend the normal monthly utility collections to such a degree as to create a clear and present danger to the City.

WHEREAS, the accumulated past due utility receivables during summer months will accumulate and negatively impact both the customers' credit and, likewise, the City's credit worthiness with lenders, bond holders and underwriters.

WHEREAS, AUS uses pre-programed software for customer service personnel to identify utility accounts subject to disconnection for non-payment of outstanding past due utility accounts as a best practice to

enforce obligations owed to the city; reduce outstanding accounts receivables; and, continue reasonable rate based utility services to benefit citizens and customers of AUS

WHEREAS: 1. PURPOSE: The goal of RESTOR is to offer immediate and meaningful relief to low, medium, and fixed income customers negatively impacted by management decisions during 2021-2022. RESTOR builds a public-private partnership to create a relief fund assisting customers.

2. FUNDING: RESTOR was funded without any significant impact to the current City budget. However, underutilization of grants and misinformation regarding re-payment of non-granted customer obligations have created new risks to the AUS.

3. OTHER COVENANTS AND RESPONSIBILITIES: City Departments and Divisions are funded in part by a successful utility transfer which is at risk. Bond covenants and other responsibilities are affected by even the slightest variances in policy making and extensions of additional credit without proper public purpose or risk-based justification.

4. CLEAR AND PRESENT CHALLENGES TO THE UTILITY: Customers increasingly see sustainability of the AUS, through paying utility bills, as optional rather than required personal financial planning. In some cases, customers connected during the last four years have no expectation payments are required because they were not required to pay for years.

5. FINDINGS: City Departments and Divisions are properly and in best practice attending to disconnection and heat advisories. Specifically, the media report of disconnections on June 26, 2023, failed to specify based on KALB meteorologist records a heat advisory on that date was effective after 11 a.m. when properly issued disconnects were authorized earlier that morning in compliance with custom and practice. The Council finds AUS neither violated its heat advisory policy nor that followed by investor-owned or other utilities under the jurisdiction of the Louisiana Public Service Commission. In relation to the June 26, 2023 disconnections, the

information provided and confirmed indicates City personnel acted within their proper discretion, best practice, and risk tolerances. The media report failed to clarify the person allegedly making the claim to local media was not a utility customer under proper account controls. Council members and the Administration did not receive during the look-back period any valid complaints of non-compliant disconnections or disconnections violating principled care and respect for those in need of assistance.

SECTION I. BE IT RESOLVED by the City Council of the City of Alexandria that the City continue its customs and practices as outlined herein, consistent with best practices and this resolution to continue such program named RESTOR and to continue to finality on behalf of the Alexandria Utility System those procedures and policies necessary and proper to effectuate RESTOR; and,

SECTION II. BE IT FURTHERMORE RESOLVED by the City Council that the City Attorney, Director of Utilities, and the Administration find no violations in June-July of policy as rate maker and providing for proper legislative oversight.

SECTION III. BE IT FINALLY RESOLVED, the Mayor, the Director of Utilities and the Administration are authorized to continue Project RESTOR, carry out the project purposes and continue the policies and practices of the City enacted in Ordinance 179-2016, Resolution No. 2341-1982 and other matters consistent with best practices for the Alexandria Utility System all consistent with the Resolution adopted herein.

AND THE RESOLUTION was declared adopted on this the ____ day of August, 2023.

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CITY CLERK