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Date: Monday, November 30, 2009-Press Release

From: Lafayette Parish Democratic Executive Committee(LPDEC)

Re: THE LPDEC OPPOSES THE PROPOSED PERMANENT 15% LUS RATE HIKE

On December 1, 2009, the Lafayette Utility Public Authority, and Lafayette Consolidated Government City/Parish Council will be asked to introduce a resolution authorizing a fifteen percent (15%) utility rate increase. The LUS Director, Terry Huval, has presented considered reasons for the proposed utility rate increase at a recent November 17, 2009, hearing before Lafayette Consolidated Government.

After studying the issue, attending hearings and reaching out to friends and colleagues with extensive knowledge of LUS and the issue, we announce today our opposition to this rate increase.

While, LUS is a tremendous community asset and we appreciate the leadership of its Director Terry Huval, this proposed 15 percent rate increase will have effects that extend far beyond the internal needs of LUS. We do not believe enough attention has been paid to the impact this rate increase will have on businesses and families, homeowners, and renters across Lafayette. Current economic circumstances have families and businesses doing more with less. We believe that all alternate sources of funding these systems upgrades must be explored — including LCG reducing it's cut of LUS' revenue — before a rate increase is approved, particularly an increase of such magnitude.

Every year, this rate hike would generate approximately \$4 million in additional revenue to the Consolidated Government General Fund under the Payments in Lieu of Taxes provisions that apply to LUS. This "tax" constitutes an unfair burden on Lafayette residents and businesses who already pay more than their fair share in taxes to support Lafayette Consolidated Government operations.

Currently, LUS Payments in Lieu of Taxes constitute about 19 percent of total LCG annual funding. Rather than hit Lafayette residents and businesses with this additional, hidden tax burden, we call on LCG to reduce its dependence on LUS funds for its operation. LUS generates ample revenue to meet its own needs. LCG, though, is taking revenues that should be used to properly maintain the LUS system.

At its core, the LUS rate hike request is not about the business of running a utility. It is about a badly flawed approach to consolidation that has deprived this utility system of the resources it needs to properly maintain its operation and put those resources to work in parts of the parish where LUS rate payers do not live.

This proposed rate increase imposes too heavy a burden on all LUS customers — rich, poor, black and white — and would perpetuate the flawed consolidation of government services that deprives the former City of Lafayette of the resources needed to maintain the quality of life here.

For these reasons, we oppose this rate hike and call for the Lafayette Public Utilities Authority and the LCG council to reject it.