

**CITY OF BILOXI
AGENDA ITEM
FACT SHEET**

Item No.: 41

Council Meeting Date: October 20, 2026

ITEM TITLE: ORDINANCE (2nd Reading)

INTRODUCED BY: Mayor Andrew "FoFo" Gilich

CONTACT PERSON: Richard Weaver, Chief Administrative Officer

Christy LeBatard, Director of Public Works

SUMMARY EXPLANATION:

Ordinance amending Section 22-2-29(a), 22-2-32(a) and 22-3-32(e) of the Code of Ordinances of the City of Biloxi relating to the water and sewer rates charged by the City of Biloxi

Resolution

Ordinance ✓

Public Hearing

Routine Agenda

Exhibits for Review

Contract

Minutes

Plans/Maps

Deed

Lease

Other (Specify): Exhibit A: Letter from MS Rural Water Association

Submittal Authorization:

Council President

Mayor ✓

STAFF RECOMMENDATION: Staff recommends approval

COUNCIL ACTION: Motion By: Tisdale Second By: Nail

Vote:	Councilmember	Yes	No	AFR	ABST	Councilmember	Yes	No	AFR	ABST
	Gray	___	___	___	___	Tisdale	___	___	___	___
	Marshall	___	___	___	___	Glavan	___	___	___	___
	Nail	___	___	___	___	Shoemaker	___	___	___	___
	Creel	___	___	___	___					

ACTION TAKEN: First reading on September 22, 2026

092226acon/cl

Tabled until October 20, 2026

Ordinance No. ____

ORDINANCE AMENDING SECTIONS 22-2-29(a), 22-2-32(a) AND 22-3-32(e) OF THE
CODE OF ORDINANCES OF THE CITY OF BILOXI RELATING TO THE WATER
AND SEWER RATES CHARGED BY THE CITY OF BILOXI

WHEREAS, City of Biloxi Ordinance Section 22-2-41 requires as part of the annual budget process, the administration and city council shall adjust the water and sewer rate schedules as needed to ensure compliance with all applicable state and federal water quality standards and maximize their solvency as enterprise funds; and

WHEREAS, Mississippi Code 1972 Annotated, §21-27-7(1)(a) states that the rates at which water, wastewater, and sewer services are supplied shall be just and reasonable based on the actual cost to operate and maintain the systems; and

WHEREAS, Mississippi Code 1972 Annotated, §21-27-7(1)(a) states the municipal governing authorities shall make a finding on the minutes of the governing body establishing the rates based on the actual cost to operation and maintain the system; and

WHEREAS, Mississippi Code 1972 Annotated, §21-27-7(1)(a) states a municipality shall not charge a user a fee for services received which is less than the cost incurred by the municipality to provide such services; and

WHEREAS, Mississippi Code 1972 Annotated, §21-27-7(1)(b) states governing authorities shall adjust utility rates, to the end that the revenues therefrom will be sufficient at all times to pay the expenses of operating and maintaining such work, facilities and systems; and

WHEREAS, Senate Bill 2526, Section 3, as approved by the Governor, states providers obtain a rate study every five (5) years and the recommended rates from the study shall be implemented within one (1) year of receipt of the rate study; and

WHEREAS, Senate Bill 2526, Section 5, as approved by the Governor, further states that a minimum of 5% per annum of gross revenues shall be deposited in a dedicated refurbishment and replacement account within twelve (12) months of implementation of any rate increase; and

WHEREAS, on August 5, 2026, the Mississippi Rural Water Association (MSRWA) has performed a rate study for the City of Biloxi free of charge; and

WHEREAS, based on the City's water and sewer proprietary funds audited revenue and expenses from FY25, combined with water usage of the same year, the MSRWA recommended that the City's rates be adjusted to ensure revenues exceed expenses; and

WHEREAS, MSRWA has recommended water rates be adopted at \$5.50 flat rate for the first 2,000 gallons of water plus \$2.75 per thousand gallons of usage over 2,000 gallons, attached as Exhibit "A"; and

WHEREAS, MSRWA has recommended sewer rates be adopted at 200% of the water rates; and

WHEREAS, in order to bring into balance the cost of constructing, repairing and operating the water and sewer systems with revenues received from users of those systems, and to provide water/sewer service to city residents not yet serviced, it is necessary to adjust certain fees charged for those services; and

WHEREAS, Christy LeBatard, Director of Public Works and Engineering, recommends adopting the rates recommended by MSRWA to provide sufficient revenue to stabilize the Water and Sewer Fund; and

WHEREAS, the governing authority of the City of Biloxi has determined that it is in the best interest of the City of Biloxi to approve an increase in rates for water and sewer services.

NOW THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF BILOXI, MISSISSIPPI THAT THE FOLLOWING SECTIONS OF THE CODE OF ORDINANCES BE AMENDED AS FOLLOWS:

SECTION ONE Ordinance Section 22-2-29(a) is amended as follows:

Sec. 22-2-29. Same—Rate schedule; cut-in fee; tapping fee; hydrant rental.

(a) *Water rates.*

- a. *Metered service.* Where water service is delivered through a meter, the rates for the service shall be as follows for each monthly period: \$5.50 flat rate for 2,000 gallons or less; and \$2.75 per thousand gallons for usage over 2,000 gallons.
- b. ~~Minimum per month: For usage of 3000 gallons or less \$4.77 flat rate until September 30, 2024; \$4.91 from October 1, 2024, and until September 30, 2025; \$5.06 from October 1, 2025, and until September 30, 2026; \$5.21 from October 1, 2026, and until September 30, 2027.~~
- c. ~~For usage greater than 3,000 gallons but less than 5,001 gallons: \$1.41 per 1,000 gallons until September 30, 2024; \$1.45 per 1,000 gallons from October 1, 2024, until September 30, 2025; \$1.50 per 1,000 gallons from October 1, 2025, and until September 30, 2026; \$1.54 per 1,000 gallons from October 1, 2026, and until September 30, 2027.~~
- d. ~~For usage greater than 5,000 gallons but less than 8,001 gallons: \$1.74 per 1,000 gallons until September 30, 2024; \$1.79 per 1,000 gallons from October 1, 2024, and until September 30, 2025; \$1.85 from October 1, 2025, and until September 30, 2026; \$1.90 from October 1, 2026, and until September 30, 2027.~~
- e. ~~For usage greater than 8,000 gallons but less than 25,001 gallons: \$1.92 per 1,000~~

~~gallons until September 30, 2024; 1.98 per 1,000 gallons from October 1, 2024, and until September 30, 2025; \$2.04 per 1,000 gallons from October 1, 2025, and until September 30, 2026; \$2.10 per 1,000 gallons from October 1, 2026, and until September 30, 2027.~~

~~f. For usage greater than 25,000 gallons: \$1.95 per 1,000 gallons until September 30, 2024; \$2.01 per 1,000 gallons from October 1, 2024, and until September 30, 2025; \$2.07 per 1,000 gallons from October 1, 2025, and until September 30, 2026; \$2.13 per 1,000 gallons from October 1, 2026, and until September 30, 2027.~~

SECTION TWO Ordinance Section 22-2-32(a) is amended as follows:

Sec. 22-2-32. Sewer service rate schedule.

(a) Metered customers.

(1) The rate for sewer service for metered customers shall be as follows: \$11.00 flat rate for 2,000 gallons or less; and \$5.50 per thousand gallons of usage over 2,000 gallons.

~~a. Flat rate minimum per month through September 2024: \$8.93 for usage of 3,000 gallons or less. Flat Rate after October 1, 2024, and until September 30, 2025, \$9.20; Flat Rate after October 1, 2025, and until September 30, 2026, \$9.47; Flat Rate after October 1, 2026, and until September 30, 2027, \$9.76.~~

~~b. For usage greater than 3,000 gallons but less than 5,001 gallons: \$2.98 per 1,000 gallons until September 30, 2024; \$3.07 per 1,000 gallons from October 1, 2024, and until September 30, 2025; \$3.16 per 1,000 gallons from October 1, 2025, and until September 30, 2026; \$3.26 per 1,000 gallons from October 1, 2026, and until September 30, 2027.~~

~~c. For usage greater than 5,000 gallons but less than 8,001 gallons: \$3.69 per 1,000 gallons until September 30, 2024; \$3.80 per 1,000 gallons from October 1, 2024,~~

~~and until September 30, 2025; \$3.91 per 1,000 gallons from October 1, 2025, and until September 30, 2026; \$4.03 per 1,000 gallons from October 1, 2026, and until September 30, 2027.~~

~~d. For usage greater than 8,000 gallons but less than 25,001 gallons: \$3.91 per 1,000 gallons until September 30, 2024; \$4.03 per 1,000 gallons from October 1, 2024, and until September 30, 2025; \$4.15 per 1,000 gallons from October 1, 2025, and until September 30, 2026; \$4.27 per 1,000 gallons from October 1, 2026, and until September 30, 2027.~~

~~e. For usage greater than 25,000 gallons: \$3.98 per 1,000 gallons until September 30, 2024; \$4.10 per 1,000 gallons from October 1, 2024, and until September 30, 2025; \$4.22 per 1,000 gallons from October 1, 2025, and until September 30, 2026; \$4.35 per 1,000 gallons from October 1, 2026, and until September 30, 2027.~~

SECTION THREE Ordinance Section 22-2-32(e) is amended as follows:

(e) In addition to the above fees, a \$3.80 per 1,000 thousand gallons per month charge will be added to each user's bill, whether the use is metered or unmetered, in accordance with statutory obligations relating to the city's mandatory participation in the Harrison County Utility Authority. ~~Effective February 1, 2021, the \$3.80 charge will be reduced by \$.50 per 1,000 gallons per month for the first 25,000 gallons used.~~

SECTION FOUR: All other sections of the Biloxi Code of Ordinances of the City of Biloxi, Mississippi, shall remain in full force and effect; and

SECTION FIVE: Upon unanimous vote of the members of the City Council, this ordinance shall be in full force and effect from and after passage, because it serves the public peace, health and safety of the citizens of Biloxi, and good cause exists for same. If not a unanimous vote this Ordinance shall become effective as soon thereafter as is signed, certified, and as is otherwise

provided by law.

EXHIBIT A



To: Christy LeBatard, P.E.

This letter is regarding our meeting on August 7th, 2026. During our visit we conducted a rate study for the City of Biloxi. After reviewing all data, including the upcoming fiscal year, it was discovered that the city's projected revenue would fall short of the projected expenses. This prompted us to review your current water and wastewater rates. After reviewing the existing rates of the city, it was discovered that the city has some of the cheapest rates in the state. While this seems like a positive for the city, it comes with a cost of operating in the negative and not being able to address infrastructure improvements and required operational maintenance. The city also has an ascending revenue structure, while this is not necessarily a bad structure, it does put more of a burden on high usage customers when compared to the average customer. Most systems in the state have a uniform rate structure that has a minimum bill with a set amount of gallons included and a rate for any usage over the minimum. During our meeting we applied different rate scenarios to the data to find a rate structure that would generate the required revenue stream needed by the city and to provide some funding for capital improvement projects and unexpected repairs. We also cleaned up the rate schedule by abandoning the ascending rate structure and creating one simple rate schedule that would apply to all customers. We discussed many options with the city's staff and it was determined that the most user-friendly rate structure that would provide the needed funds were as follows; minimum bill \$5.50 per month which includes 2,000 gallons of consumption, any usage above the minimum would come at a cost of \$2.75 per thousand gallons. Currently the city's sewer rates are approximately 200% of the water bill, we propose no change to that percentage. It should be noted that, at these proposed rates, the city will still have some of the cheapest rates in the state.

Also, while meeting with the city's staff we discussed the aging workforce of the water and wastewater industry. The average age of operators in Mississippi as well as the rest of the country is mid to late 50's and are nearing retirement age. Finding and retaining qualified water operators is a challenging task for all water systems in our state. A lot of systems hire personnel that they spend time and money on to get them trained and certified just to lose them to neighboring systems, because of the shortage of certified operators. We encourage the city to consider participating in the MsRWA's registered apprenticeship

program, this program helps to provide a pipeline of potential operators for the city. The apprentices will be an employee of the city, work under a mentor that is an employee of the city and get hands on experience and knowledge of the city's infrastructure. There is also a classroom element of the apprenticeship program that requires 288 hours of training conducted by staff members of MsRWA. This classroom training includes all aspects of operating and managing a water system. If this is something that city would like to discuss further, please let us know and we can arrange a meeting to discuss the details further.

If you have any questions, please feel free to contact me at any time.

Randy Turnage

Deputy CEO

Mississippi Rural Water Association