Legislative Update 2021



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Overview

- Act 98 (SB 129 Mills): Creates the Community Drinking Water Infrastructure Sustainability Act
- Act 410 (HB 642 Zeringue): American Rescue Plan \$
- Federal Acts

Louisiana Water Systems

- ~1,280 water systems in Louisiana
 - ~250 are under formal enforcement for water quality problems, failing infrastructure, and operation and maintenance issues
- Infrastructure Grade = D- in last ASCE report
 - Estimated \$5B to bring up to code
 - Over 50% of water systems have infrastructure over 50 years old
- Small systems have most difficulty
- "Brown water" issues

- Act 98 (SB 129 Mills): Creates the Community Drinking Water Infrastructure Sustainability Act
 - Provides for rulemaking to establish letter grades for water systems
 - Amends receivership Revised Statute and establishes consequences for "D" and "F" systems
 - Repeals R.S. 36:259(B)(9) and 40:4.13 Water Committee
 - Unanimously passed by House and Senate

- Act 98 (SB 129 Mills): Letter Grades
 - Federal water quality violation history (MCL violations)
 - State violation history (Cl, no operator, Boil Order, Water Outage)
 - Water system financial sustainability (Rate Study, Audit findings, Fiscal Administrator, etc.)
 - Operation and maintenance performance history (Sig Def: records, flushing, maintenance such as corrosion and leaks, asset management)
 - Infrastructure violations (Sig Def: low pressure, no backup source, missing/broken components)
 - Customer satisfaction (complaints validated by LDH; complaint logs per Act 292 of 2019 = reporting requirement; quantity of complaints)
 - Level of secondary contaminants (Fe/Mn > SMCL or Mn>HA)

- Act 98 (SB 129 Mills): Receivership
 - Current receivership issues
 - Changes include:
 - Water revenue for water only
 - Cannot incur new debt unless for improvement of water system
 - Receiver can raise rates through rate setting authority
 - Receiver will develop improvement plan for system which may include consolidation (improvement plan authorizes implementation)

- Act 98 (SB 129 Mills): Rulemaking Timeline
 - First Draft ~ August 2021
 - Formal Rulemaking Begins ~ 2022
 - Notice of Intent January 20, 2022
 - Comment Period begins with NOI through end of February
 - Earliest Final Rule publication April 20, 2022
 - First grades published by January of 2023; future publications TBD and part of rulemaking

- Act 410 (HB 642 Zeringue/Schexnayder/Cortez)
 - Creates the Water Sector Fund and Water Sector Commission (WSC)
 - \$300M for water and sewer projects American Rescue Plan Act
 - LDH and DEQ to review applications and submit recommendations to WSC. The WSC will then send to the Joint Legislative Committee on the Budget (JLCB) for funding.
 - Administered by DOA (OCD) in consultation with LDH and DEQ.
 - Guidelines and portal: <u>https://www.doa.la.gov/doa/ocd-lga/american-rescue-plan-act/</u>

- Act 410 (HB 642 Zeringue/Schexnayder/Cortez)
 - Important Dates:
 - June 30, 2021 First meeting of Commission must occur by this date
 - July 15, 2021 DOA shall submit proposed guidance to Commission for review and approval
 - August 1, 2021 DOA must begin accepting applications in the online portal
 - November 1, 2021 Portal closes; Applications are scored by LDH/DEQ
 - January 1, 2022 DOA shall begin submitting a quarterly construction progress report for projects funded by JLCB.
 - December 31, 2024 All funds must be obligated by this date
 - December 31, 2026 All funds must be expended by this date

From the Feds

Water Infrastructure Improvement Act (WIIN) of 2018

- Addresses, supports and improves drinking water infrastructure. Includes grant opportunities:
 - Lead Testing in School and Child Care Drinking Water
 - State is recipient; \$1.7M; voluntary testing of schools and child care facilities; goal to reduce children's exposure to lead in drinking water
 - Online application: <u>www.ldh.la.gov/schoolleadtesting</u>
- Requires PN to be distributed by the utility no later than 24 hours after a lead action level exceedance. Requires additional public information regarding lead in drinking water.

From the Feds

Lead and Copper Rule Revision

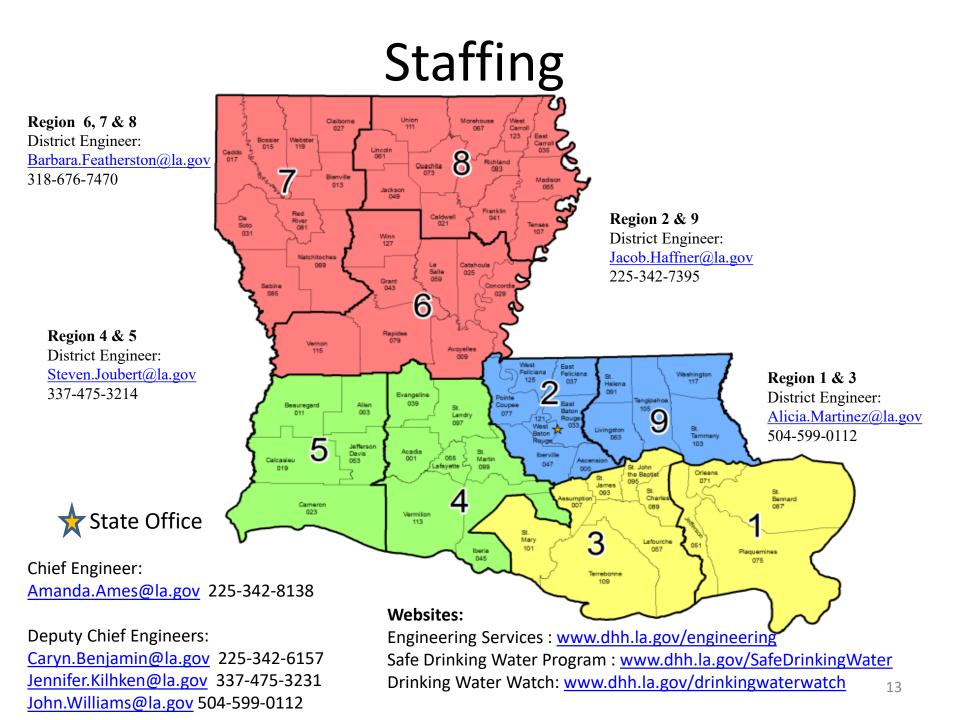
- Published January 2021 and Biden administration pulled it back; waiting for re-issue of the Rule
- Original effective date was March 2024 but now has been changed to October 2024
- Key points that will likely be in Rule:
 - Possible AL change discussion of 10 ppb or even 5 ppb
 - Initial Pb service line inventory
 - Updated Pb/Cu sample plans
 - Exceedances elevated to Tier 1 Public Notice
 - School and daycare sampling

From the Feds

America's Water Infrastructure Act (AWIA)

- Amended the SDWA, specifically authorizes DWRLF in the following:
 - Additional subsidy for disadvantaged community (LA = 6% of grant)
 - LA will allow 20% up to \$200k for principal forgiveness for these projects
 - Extends the loan term
 - LA will allow 20, 25, or 30 year loan periods
 - NOTE: 30 year loan terms have additional requirements
 - Consolidation incentive
 - LA will prioritize consolidation projects, specifically for failing systems, by offering 100% principal forgiveness
- Requires systems >3,300 persons to conduct/certify a Risk and Resilience Assessment (handled by EPA)

Community Water System	Risk Assessment	Emergency Response Plan
\geq 100,000 population	March 31, 2020	September 30, 2020
50,000-99,999 population	December 31, 2020	June 30, 2021
3,301-49,999 population	June 30, 2021	December 30, 2021



Questions?