



Status Update: Regulation and Valuation of Surface Water

July 28, 2022

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Louisiana Water Resources Commission

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Issued July 6, 2022

Michael J. "Mike" Waguespack, CPA

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Louisiana does not have a **statewide water management plan**, which would help Louisiana better regulate and value surface water.

The lack of a water code in state law and the need for more water use data have delayed the creation of a statewide water management plan.

A comprehensive statewide water management plan is important because:

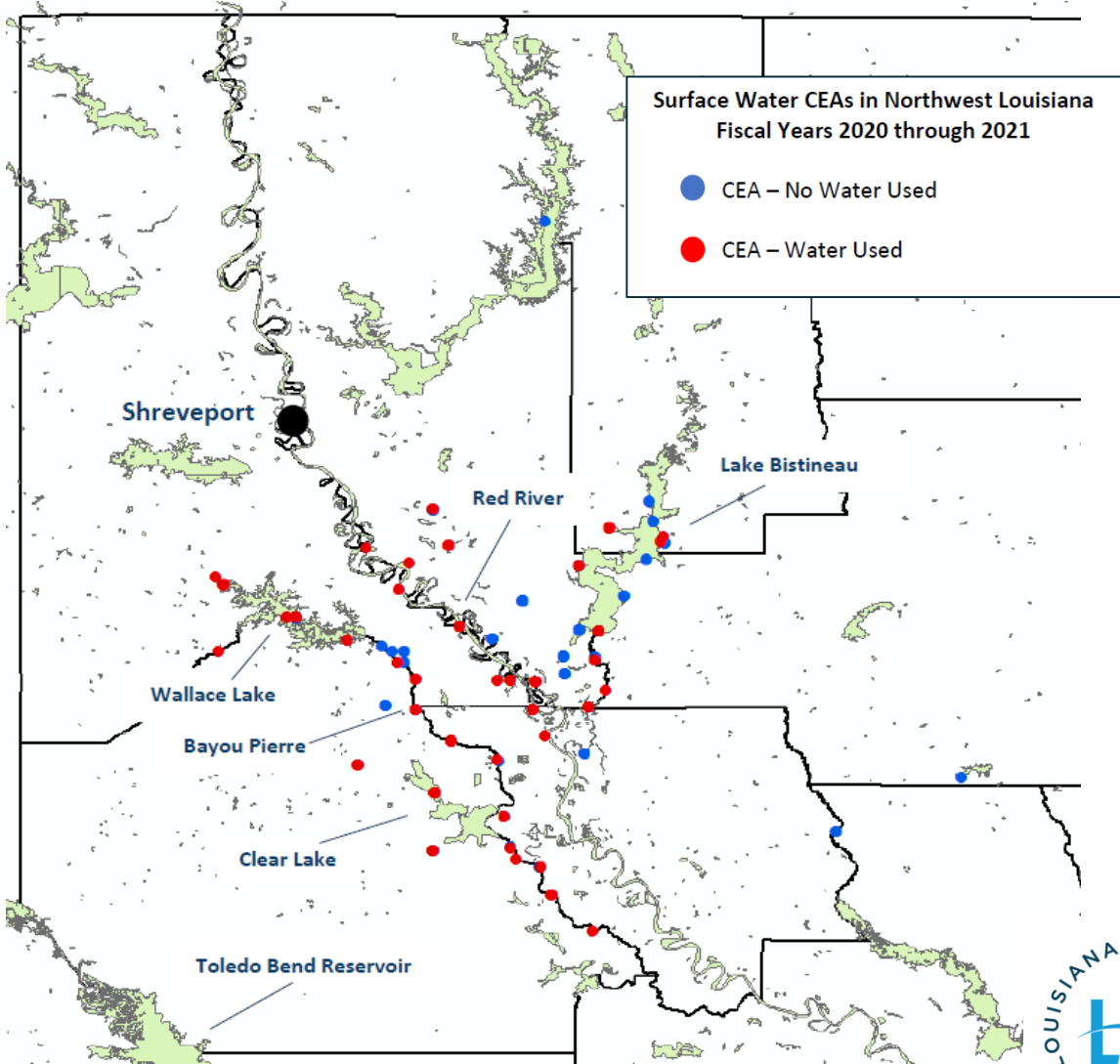
- Other states want to purchase our water
- Water should be a sustainable resource for future generations
- Groundwater and surface water are interconnected

This report is one of many water-related performance audits we have issued since fiscal year 2017 – see handout for listing.



Surface Water CEAs in Northwestern Louisiana
CEAs Active during Fiscal Years 2020 through 2021

DNR's Surface Water Management Program is **voluntary**. During fiscal years 2020 through 2021, DNR had **87 active CEAs** for surface water withdrawals, requesting a total of **1.54 trillion gallons** of surface water withdrawals.



Even if CEAs remain voluntary, DNR needs a more robust surface water regulatory process. Ten percent of the CEAs active during fiscal years 2020 through 2021 contained errors in the total volume of water requested.

In addition, DNR has limited staff and funds to administer the program and does not monitor compliance with all terms of the CEAs.

Total Volume Requested in Application and CEA CEAs Active During Fiscal Years 2020 through 2021	
Document	Total Volume Requested (gallons)
CEA Application	29,369,244,468
Signed CEA	1,537,060,278,468
Difference	1,507,691,034,000
Source: Prepared by legislative auditor's staff using information provided by DNR.	



State law caps fair market value at **15 cents per 1,000 gallons**, which does not allow for increases based on inflation and market demands. During fiscal years 2020 through 2021, DNR collected **\$302,004** from surface water CEAs, which went into the **Aquatic Plant Control Fund**.

The CEA payments made up only 11% of the Aquatic Plant Control Fund revenue and 3.5% of LDWF's overall Aquatic Plant Control Program.

Giant Salvinia Covering Iatt Lake
April 2021



Source: Photographs taken by legislative auditor's staff.

Recommendations

- **SIX MATTERS FOR LEGISLATIVE CONSIDERATION**
 - See handout
- **TWO RECOMMENDATIONS TO DNR**
 - DNR agreed with both recommendations



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Louisiana Water Resources Commission

Status Update: Capital Area Groundwater Conservation Commission

Issued July 14, 2021

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The 2019 report, Regulation of Groundwater Resources - Greater Baton Rouge Area, contained **19 recommendations**.

The Commission **fully implemented five** of them:

- Periodically evaluating water withdrawal fees and decide whether the fees should be raised
- Ensuring all wells are permitted before being constructed
- Taking action to incorporate Ascension Parish wells into its district
- Working with the Legislature to amend state law to include Ascension Parish as part of its district
- Obtaining an opinion from the Louisiana Board of Ethics about whether the composition of the Commission violates state law

The 2019 report, Regulation of Groundwater Resources - Greater Baton Rouge Area, contained **19 recommendations**.

The Commission **partially implemented one**:

- Charging an application fee for new well permits and developing penalties to well owners if they fail to obtain a permit before installing a new well

The 2019 report, Regulation of Groundwater Resources - Greater Baton Rouge Area, contained **19 recommendations**.

The Commission is in the **process of implementing 12**:

- Ensuring all information is complete in its database so the information can be used to monitor water withdrawal from the Southern Hills Aquifer System
- Reconciling its population of wells against the Office of Conservation's well registry to help ensure they have a complete population of wells to regulate
- Setting limits to restrict withdrawals from the 1,500- and 2,000-foot sands that actually will decrease production from the aquifer in order to address saltwater intrusion

The Commission is in the **process of implementing 12 (continued)**:

- Ensuring it reserves the 1,500-/1,700- foot sands for public supply by not allowing any new wells to be installed in these sands unless they are for public consumption purposes
- Continuing to monitor the scavenger well in the 1,500- foot sand to determine if it is successful in addressing saltwater intrusion and whether it is an appropriate option for the 2,000- foot sand
- Defining “northward away” when approving how close a new well can be installed to the Baton Rouge Fault Line
- Considering other fee structures to encourage conservation, such as implementing a fee structure that charges a higher fee at a higher rate of production
- Ensuring it collects fees on all wells that meet the regulation standards

The Commission is in the **process of implementing 12 (continued)**:

- Using its authority in state law to require all wells regulated by the Commission to be metered for recording withdrawal amounts
- Developing a process to conduct inspections to verify withdrawal amounts on wells to ensure they are collecting the correct amount in fees
- Ensuring its management plan includes a timeline to control saltwater movement, specific performance measures on controlling saltwater, and a financial plan to ensure the Commission's revenues meet their regulatory priorities they establish
- Investing in educating citizens on the need for conservation and how to reduce withdrawals from the aquifer to help reduce saltwater migration.

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