

Drinking Water Update 2022



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Overview

- Bills of 2022
- State Rules
- Federal Bills and Changes
- Funding Opportunities
- Around the Industry

Bills of 2022

Fiscal Bills

- Act 199 (HB 1 – Zeringue) – Provides for the ordinary operating expenses of state government for fiscal year 22-23
- Act 167 (HB 406 - Zeringue) – Provides for the transfer, deposit, and use of monies among state funds
 - Among many other fiscal allocations, \$450 million provided to the Water Sector Fund for the Water Sector Program Round 2
- Act 117 (HB 2 – Bishop): Provides for the comprehensive Capital Outlay budget
 - Within Act 117, Section 8, (R) states the following:
 - Notwithstanding anything contained in this Act or any other provision of law, all non-state projects that include water systems in the scope of work shall also be required to include a rate study as part of the project.

Bills of 2022

- Act 660 (SB 48 - Reese): Provides for changes to the Water Sector Program
 - Updated dates and verbiage for round 2
 - Technical revisions
 - Removes storm water from program
 - Allow for Commission to adjust grant awards under certain conditions
 - Duplications of benefits
 - Increase in project costs, not to exceed 5% of the total grant
 - Inability of a grant recipient to complete one or more projects within the scope of the grant award.
 - Technical corrections
 - Allow for the Commission to rescind grant awards if the grant recipient fails to comply with the guidance approved by the commission.
- Changes for Round 2 Guidance:
 - Portal open **JULY 15 – AUGUST 31, 2022**
 - Population breakdown for Commission review
 - < 3,300
 - 3,301 – 10,000
 - >10,000

Bills of 2022

- Act 515 (HB 847 – LaCombe): Exempts certain non-state entity projects from local match requirements
 - Act provides exemption from Capital Outlay 25 % match requirement:
 - Water and sewer projects for systems of 1,250 connections or fewer. (77% of all community water systems)
 - Public (governmental) natural gas utility service projects for systems of 1,250 connections or fewer.

Bills that could have been.....

- HB 390 (Wright): Provides relative to rules adopted under the Administrative Procedure Act
 - Rules adopted would expire June 30 of the following year unless additional legislation is passed otherwise.
- SB 352 (Fields): Requires utility providers to issue a credit to customers who experience an outage of service for more than 24 hours
 - For those utilities under regulation of the Public Service Commission (PSC) providing electric, water, telecommunication, gas, cable, or internet service within this state.

State Rules

Community Water System Accountability Rule “Grade Rule”

- Act 98 of 2021 Legislative Session: R.S. 40:5.9 and 5.9.1 – LAC 51:XII Chapter 4
- Deadlines:
 - January 1, 2023 – preliminary letter grades for all community water systems
 - January 31, 2023 – submit rate study, annual report, annual report, financial report or audit report, flushing plan, complaint log, extra credit, etc.
 - May 1, 2023 – Final grades will be posted
 - July 1, 2023 – Include letter grade and score in the CCR that is posted on a website
- Documents emailed to Water.Grade@la.gov
- Rate Studies must be dated: April 20, 2017 or after. (every 5 years)

After May 1st

The published letter grades and scores **are not subject to change** until the next annual letter grade/score is published.

State Rules

“Grade Rule” Cont.

- Letter Grade Schedule
 - Federal Water Quality Violations (30 points)
 - State Violations (10 points)
 - Financial Sustainability (10 points)
 - Operation and Maintenance Performance (15 points)
 - Infrastructure Violations (20 points)
 - Customer Satisfaction (10 points)
 - Level of Secondary Contaminants (5 points)
 - Extra Points: (10 points)
 - Asset management plan; storage assessment and maintenance program; or well assessment and maintenance program
 - Participation in a capacity development program or management training program

From the Feds

Lead and Copper Rule Revisions (LCRR)

- Effective date of Rule 12/16/21; Compliance 2024
- Lead Service Line inventory due October of 2024
- Lead and Copper Rule Improvements (LCRI)
 - Publish before fall of 2023
 - Can still change Action Level (discussion of 10 ppb or even 5 ppb), sampling and lead service line replacement plans
 - Updated Pb/Cu sample plans
 - Exceedances elevated to Tier 1 Public Notice
 - School and daycare sampling

From the Feds

Emerging Contaminants

- Definition
 - Contaminants with a perceived, potential or real health risk
 - Contaminants with lack of published health standards
- Unregulated Contaminant Monitoring Rule (UCMR5)
 - 29 PFAS and Lithium
- Manganese
- Cyanobacterial Harmful Algal Blooms (HABs)
- Per- and polyfluoroalkyl Substances (PFAS)
- Naegleria Fowleri (NF)

Funding Opportunities

DWRLF Consolidation Initiative

- Loan Program
 - 2.45% interest rate
 - 20-30 year term
- Disadvantaged Community Loan
 - Community Water System currently under an AO.
 - 30% Principle forgiveness up to \$200,000
 - 2.45% interest Rate
 - 20-30 Year Term
- **Consolidation Initiative**
 - Water system under an AO merges with neighboring system
 - Full consolidation – Management, operations, financial, etc.
 - **100%** Loan Forgiveness
 - 2019-2021: \$17 million
 - 2022: \$5.1 million
 - 2023: est. \$4 million

Funding Opportunities

Water Sector Program (WSP)

- January 2022:
 - 60 Water projects awarded totaling ~\$179M
 - 45 projects with 40 severity – 64% funded
 - 54 projects with AOs – 43% funded
 - 27 consolidation projects – 85% funded
- 2022 Legislative Session - \$450M appropriated for round 2
- July 15 – August 31, 2022 – Round 2 portal period
- November 2022 – WSC/JLCB approval
- December 31, 2024 – Funds must be obligated
- December 31, 2026 – Funds must be expended

Water Sector Program Online Application Portal

<https://wwwcfprd.doa.la.gov/WaterSector>

Water Sector Program questions

WSPinfo@la.gov

Funding Opportunities

Bipartisan Infrastructure Law (BIL)

- Includes \$50 billion to EPA for drinking water and wastewater systems.
- Three pots of supplemental DWRLF Funds for 5 years
 - General Supplemental (\$26,874,000)
 - 49% of funds for communities through grants or principal forgiveness (up to \$3M/loan)
 - 51% of funds available to communities for low-interest loans
 - Emerging Contaminants (\$11,286,000)
 - 100% Principal Forgiveness
 - Emerging contaminants funding geared toward PFAs, but can go to anything on the Contaminant Candidate List 5 (CCL5) from EPA (Louisiana => Manganese, Naegleria Fowleri)
 - Lead Service Line (\$42,321,000)
 - 49% of funds will be provided to communities as grants or principal forgiveness
 - 51% of funds will be available to communities for low-interest loans

Around the Industry

- Supply chain / contractor workforce / inflation
- Build America, Buy America Act (BABAA)
- Cybersecurity

Questions?

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