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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Brandi Cannon.

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DIGEST

SB 122 Original

2023 Regular Session

Fred Mills

Proposed law creates the "Community Sewerage System Infrastructure Sustainability Act" and provides for legislative intent to develop a community sewerage system accountability process which supports sewerage system infrastructure sustainability for the citizens of Louisiana.

Proposed law defines "community sewerage system" as any treatment works, whether publically or privately owned, which serves multiple connections and consists of a collection or pumping and transport system or a treatment facility. For the purposes of proposed law, "community sewerage system" includes any local governing authority which operates a community sewerage system.

Proposed law provides that a community sewerage system shall submit a compliance report from the Department of Environmental Quality (DEQ), a compliance report from the La. Department of Health (LDH), and a sewer fiscal responsibility certification from the legislative auditor if the community sewerage system does any of the following:

- (1) Seeks approval from the State Bond Commission to incur any additional debt not directly related to the improvement and sustainability of the community sewerage system or a related community water system.
- (2) Submits to the division of administration a project for the capital outlay program not directly related to the improvement and sustainability of the community sewerage system or a related community water system.
- (3) Seeks approval for a rate adjustment from the appropriate rate setting authority not directly related to the improvement and sustainability of the community sewerage system or a related community water system.

Proposed law provides that any community sewerage system found to have significant violations or to be out of compliance in either of the compliance reports or the sewer fiscal responsibility certification shall also submit all of the following information:

- (1) A plan of correction for the deficiencies noted in any of the compliance reports or the sewer fiscal responsibility certification.
- (2) The anticipated timeline for the completion of the plan of correction, including anticipated dates for completion of the significant steps in the plan of correction.
- (3) The anticipated costs for the completion of the plan of correction and a list of all sources of

funds to be used.

- (4) Any report prepared by a licensed engineer relative to the deficiencies and the plan of correction.

Proposed law provides that, after consideration of the compliance reports, sewer fiscal responsibility certification, and supplemental material relative to the plan of correction for deficiencies, the State Bond Commission, the division of administration, and the rate setting authority may deny the request of the community sewerage system.

Proposed law provides that the community sewerage system shall not be precluded from obtaining funding, participating in the capital outlay program, or obtaining approval for a rate increase for the purpose of improvement and sustainability of the community sewerage system or a related community water system based upon the compliance reports, sewer fiscal responsibility certification, or the supplemental material relative to the plan of correction for deficiencies provided in accordance with proposed law.

Proposed law provides that, upon request of a community sewerage system, DEQ and LDH shall each review its own records and provide a compliance report based upon criteria determined by that department. Proposed law further provides that the legislative auditor shall review its records and provide a sewer fiscal responsibility certification regarding the community sewerage system's financial sustainability based upon criteria determined by the auditor.

Proposed law requires the compliance report and sewer fiscal responsibility certification to clearly indicate in plain language the community sewerage system's compliance status and the level of severity of violations.

Proposed law prohibits a local governing authority that operates a community sewerage system from expending any money raised through customer payments or from any other sewerage system revenue for any item, debt payment, or public purpose other than the improvement and sustainability of the community sewerage system. Proposed law shall not be construed to prohibit the payment of bonded indebtedness secured by the sewerage system's revenue incurred prior to the effective date of proposed law.

Proposed law provides that any community sewerage system considered operationally unacceptable in any compliance report or sewer fiscal responsibility certification may be subject to receivership in accordance with present law.

Proposed law provides for rulemaking by DEQ and LDH.

Effective January 1, 2024.

(Adds R.S. 30:2075.4)